

NRA NEWS

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Spencer Johnson, M.D.

JOB

Listen & Learn Program

SNELLING AND SNELLING INC.

NRA MEETINGS

NRA NEWS

Vol. 5 No. 8

September 1985

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

- 11/12 Savannah, GA
12/3 San Jose, CA

Dining Room Management

- 9/16 Las Vegas, NV
9/24 Burlington, VT
10/8 Bloomington, MN
10/22 Madison, WI
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11/18 Billings, MT
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12/5 Philadelphia, PA
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Kitchen Management

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10/16 Williamsburg, VA
10/28 Burlington, VT
10/29 Pittsburgh, PA
11/14 Portland, OR

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Banquet Management

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10/3 Chicago, IL
11/12 Raleigh, NC

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- 9/23 Little Rock, AR
10/22 Oklahoma City, OK
12/2 Rochester, NY

Computers in Foodservice: Advanced Technology

- 10/23 Oklahoma City, OK

Employee Motivation

- 10/8 Salt Lake City, UT
10/27 Wichita, KS
11/13 Grand Rapids, MI
12/4 Rutland, VT

Food Cost Management

- 9/23 Denver, CO
9/30 Baltimore, MD
10/21 Ottawa, Ontario, Canada
12/2 Dallas, TX
12/9 Las Vegas, NV

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11/20-21 Richmond, VA
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Financial Officers

- 9/18-20 Boca Raton, FL

Tax Executives

- 9/18-20 Boca Raton, FL

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10/28-29 San Antonio, TX

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10/21-22 Boston, MA

Restaurant Design & Facilities Planning

- 10/30-31 Cincinnati, OH
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Tenth Annual California Wine Workshop

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National Conference on Catering

- 11/10-13 Las Vegas, NV

INFO '86: Independent Operators National Conference

- 2/16-19 Orlando, FL

National Conference on Computers

- 3/16-19 Washington, DC

For more information, contact:
NRA Education Programs
800-424-5156 or
202-638-6100

**This is a special, shorter session of Tools for Training, offered at a reduced price in conjunction with the Pacific Area Food and Beverage Exposition.*

Market Research

- 10/2-4 Chicago, IL

Management Information Systems (MIS)

- 10/13-16 Boston, MA

Quality Assurance

- 10/16-18 Chicago, IL

Marketing Executives

- 10/27-30 San Francisco, CA

For more information on specific study groups, contact
Philip Kralovec, 312-853-2525.

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PRESIDENT'S REPORT



Ted Balestreri
Co-Owner
The Sardine Factory, Inc.
Monterey, California

**NRA Board meets
in Washington, DC**

**NRA members
meet political
leaders**

**NRA supports
TJTC extension**

**NRA blitzes media
on tax cap**

With the coming of autumn, activity in your Washington NRA headquarters has increased dramatically. Congress has reconvened and is considering several bills which will directly affect your business. NRA members and directors have come or will come to the city to discuss appropriate responses to these bills and other industry issues.

The NRA Board of Directors meets on September 28 through 30 to review activities and policy for the association. Its fall meeting is always held in the nation's capital so that Board members can also take the opportunity to meet with important political leaders.

Following the Board meeting, the first NRA Public Affairs Conference will convene. Foodservice operators from all over the country will gather to exchange views with speakers such as Secretary of Agriculture John Block, Senate Majority Leader Robert Dole, Chairman of the Senate Labor and Human Resources Committee Orrin Hatch and House Majority Leader James Wright.

The give and take with our political leaders will continue during specially scheduled meetings between NRA members and their representatives. And there will be further dialogue during the third annual Chef d'oeuvre, NRA's gala reception for Senators and members of Congress. While sampling items supplied by 14 of Washington's leading restaurants, we will discuss issues affecting the industry with our Congressional guests.

It is not too late to register for the Public Affairs Conference to be held September 30 through October 2. Call (800) 424-5156 for further information.

A meeting on September 11 focused on the attempt to extend the Targeted Jobs Tax Credit (TJTC), which is due to expire December 31, 1985. This tax provision allows foodservice operators to receive a tax credit for wages paid to individuals hired from nine targeted groups. Senator John Heinz (R-PA) and Rep. Charles Rangel (D-NY) have introduced bills in the Senate and House, respectively, which would extend TJTC for five years. During the September 11 meeting, the senator and congressman briefed TJTC users about these bills and what can be done by the industry to ensure their passage.

The foodservice industry uses TJTC extensively. We need to support these bills. Write your own congressmen and senators today, and tell them you support the extension of this important tax credit.

The House Ways and Means Committee began markup of its tax simplification bill this month. If this committee follows the administration's proposal, this bill could include a \$25 limit on the deduction for business marketing meals, with a 50 percent disallowance of de-

**FDA proposes
sulfite ban**

**NRA releases
training cassettes**

ductibility for amounts in excess of the cap. Deductions for business receptions would be eliminated.

Your association is currently conducting an extensive media campaign to win support for retaining full deductions for these marketing costs. By the time it is over, I will have visited six cities to speak to editorial boards at major newspapers and to be interviewed on radio and television. In each instance, I have pointed out or will point out that limiting the deduction on a legitimate cost of doing business is wrong in principle and that this particular cap will cost 144,000 foodservice jobs in the first year alone, resulting in a net loss of \$1.6 billion to local, state and federal treasuries.

In the cities I have visited to date, the media has been responsive to our message. Many reporters and interviewers realize the prejudice against the business marketing meal deduction has been fostered by previous administrations and that the whole issue deserves careful, objective consideration. If you think you can assist in the NRA press effort in your own marketing areas, call the association's communications department for a copy of the press kit and materials we are using during the national press tour.

On August 15, The Food and Drug Administration (FDA) proposed a ban that limits the use of sulfites. Following an NRA recommendation, the ban would forbid the use of sulfiting agents on fresh and previously frozen salad ingredients by either wholesaler-distributors or retailers. (The ban does not include pre-cut potatoes, evidently because the potato industry voiced strong opposition.)

In proposing this rule, FDA affirmed NRA's contention that labeling and signage in restaurants are not a solution to the sulfite problem. After a 30-day comment period, FDA will review its proposal once more and then publish a finalized regulation by the end of the year.

In December 1985, NRA will release the first series of *Video Training*. These video cassette training programs, for use in the individual foodservice outlet, will cover wait staff training, focusing specifically on suggestive selling, teamwork and service from greeting to farewell. Each topic is covered in a 20-minute tape.

These video cassettes will allow you to offer standardized training to all of your employees as they join your staff. The second series—covering back-of-the-house training—will be released next spring. Video training is effective, efficient and inexpensive. NRA plans to build a full scale video library covering training for all facets of foodservice operations to serve you better in your training needs.

During August, 149 foodservice operators and allied suppliers joined the ranks of NRA. Your participation in NRA will make your business grow and make your association more effective in its endeavors on your behalf. Welcome.

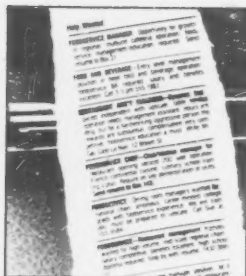
Sincerely,



Ted Balestreri
President and Chairman of the Board

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Cover photograph by Gary D. Landsman

SHORT ORDERS

1985 operating ratio report now available

NRA's annual study *Restaurant Industry Operations Report '85* has just been published.

Conducted jointly by NRA and the international accounting and consulting firm Laventhol & Horwath, it contains a wealth of finan-

cial and operating data not available from any other public source. Financial data for this study were supplied by NRA members, and the analysis was performed by Laventhol & Horwath.

More than 920 questionnaires were received from a broad cross section of NRA members, and 718 completed surveys were used as the basis for this comprehensive report.

Winners named in "Skill Olympics"

Two foodservice students recently won gold medals in the annual United States Skill Olympics, sponsored by the Vocational Industrial Clubs of America (VICA). The winners, Timothy Foley of Greater New Bedford, MA, and Steven Swain of Scottsdale, AZ, were chosen out of 52 students who competed in the commercial food trade division of the Olympics, held

in Phoenix, AZ, this past June.

VICA members from across the country competed in the one-day Olympics. Each contestant was assigned to a small kitchen, given a series of recipes and told to prepare the dishes in six hours or less. Finished products, ranging from curried zucchini soup to raspberry shortcake, were judged by professional chefs from some of the country's finest restaurants.

As gold medalists, Foley and Swain were each awarded a scholarship to Johnson & Wales College, a leading culinary school.

Sodium labeling reprieve

FDA has given food manufacturers an extra year to comply with the new sodium labeling regulations. July 1, 1985 was the original deadline for food manufacturers to include sodium content on nutrition labels; the effective date is now

July 1, 1986. But don't be surprised if you see the sodium information on labels sooner. Many of the industry's high volume foods already comply with the new regulations. The extension was granted primarily to cover slower-moving food products. Manufacturers successfully argued that they needed an extra year to use up inventories of non-complying labels.

What's in the report . . .

The report includes specific financial information on full and limited menu restaurants with tableservice, limited menu restaurants without tableservice (fast food) and cafeterias. Information is broken down by restaurant type, location, sales volume, menu theme and years of operation. The report has been divided into two sections—one for restaurants serving food only and the other for restaurants serving both food and alcoholic beverages.

Information presented in the publication includes

- data on sources of income
- data on restaurant expenditures
- analysis of employee data—employees per seat, average sales per employee
- earnings ratio by type of

restaurant and

- figures for total cost of sales.

How to order the report . . .

Restaurant Industry Operations Report '85 is now available at a cost of \$19 (plus \$2 shipping and handling) for NRA members and \$38 (plus \$3.80 shipping and handling) for non-members. DC residents add six percent sales tax. Illinois residents add seven percent sales tax. Chicago residents must add an additional one percent, making their total sales tax eight percent. To order, contact NRA, 311 First St., N.W., Washington, DC 20001 or call 800-424-5156. *Payment must accompany all orders.* Credit card telephone orders are accepted. **Please specify number CS955 when placing your order.**

NRA introduces video cassette training program

Well-trained employees are critical to the success of any operation. In an effort to make NRA's employee training resources readily available to all foodservice operators, NRA is developing a library of video cassettes that focus on all aspects of employee training.

The cassettes, which are being developed as an ongoing series, will initially cover topics such as wait-staff training, including suggestive selling and team-

work, and back-of-the-house employee training, including food handling and storage procedures. The tapes will serve as training and orientation for new employees as well as a reference tool for existing personnel.

The video cassette library is designed to be an extension of NRA's seminar and conference programs. The tapes, which may be purchased individually or as a series, can be played on any standard home video equipment. The first series, which focuses on wait-staff training, will be available in December 1985.

For more information on NRA's video cassette training tape program, contact NRA's Education Programs Dept. at (800) 424-5156 or (202) 638-6100.

WASHINGTON REPORT

Immigration reform again before Congress

Immigration reform legislation that would penalize employers for knowingly hiring illegal aliens and would grant amnesty to aliens already in the U.S. is now being considered by both the House and Senate.

S. 1200, introduced by Sen. Alan Simpson (R-WY), was passed by the Senate Judiciary Committee shortly before Congress adjourned for the August recess.

Simpson, who chairs the Judiciary Committee, expects the measure to be considered on the Senate floor shortly after members return in September.

The Simpson bill would institute both civil and criminal sanctions against employers who knowingly hire illegals. Simpson's original bill did not include criminal sanctions, but the committee amended the legislation to make it more akin to the House version. The committee also eased the amnesty provision that would guarantee amnesty to illegals already in the U.S.

The Simpson bill does not require employers to verify the legal-status of new hires and maintain records of that verification procedure. As a result, the Simpson bill is less onerous for employers; thus, the NRA and business groups such as the Chamber of Commerce have agreed not to oppose the bill.

On the House side . . .

An immigration bill that includes mandatory record-keeping requirements (H.R. 3080) was introduced in the House shortly before the August recess by Rep. Peter Rodino (D-NJ). Rodino, chairman of the House Judiciary Committee, has indicated that he will hold

hearings on his bill when the members return in September.

In addition to the verification procedure, Rodino's measure also sets up a framework of sanctions against employers who knowingly hire illegals, with civil penalties ranging from \$1,000 to \$5,000 and criminal penalties of up to six months in jail.

Amnesty for illegals already in the U.S. would be granted automatically under the House measure for any illegals residing in the U.S. since before January 1982.

Both the House and Senate versions of the bill include a program for temporary foreign agricultural workers.

FDA proposes **SULFITE BAN**

In an action which reflects a recommendation made by NRA a year ago, the Food and Drug Administration (FDA) is moving on a proposal to ban the use of sulfites in fresh fruits and vegetables. Commissioner Frank Young of FDA and Secretary of Health and Human Services Margaret Heckler have both approved the proposal.

Sulfites have been linked to allergic reactions and even death among sulfite-sensitive asthmatics. NRA has asked its members to discontinue the use of sulfites as a freshening additive since February 1983.

Last year NRA recommended a limited, partial ban on sulfites in testimony given before a scientific panel studying the issue. The panel subsequently agreed with NRA and recommended that FDA adopt

a ban on the use of sulfites in raw fruits and vegetables and pre-cut potatoes.

The FDA proposal signed by Young and Heckler does not include a ban on the use of sulfites in pre-cut potatoes. Young has delayed action on potatoes because the potato industry strongly objects to a ban on sulfite use. Spokesmen for the potato industry claim that they have found no adequate substitute for sulfite use in potatoes. A large percentage of the pre-packaged potatoes would be lost to spoilage if sulfites were banned, creating a severe economic hardship for the industry.

Congress has been pushing FDA to act on a sulfite ban for many months. On the recommendation of NRA, bills were introduced in both the Senate and House to institute a limited, partial ban on sulfite usage.

IRS issues temporary tip reporting rules

The Internal Revenue Service (IRS) has issued temporary rules implementing changes made last year to the eight percent tip reporting law.

The proposed IRS rules, published in the July 23 *Federal Register*, would loosen some of the requirements in the original 1982 tip reporting law.

NRA worked last year to get several modifications in the tip reporting law. These were incorporated by Congress into the 1984 Tax Reform Act and now are being put into rulemaking by IRS.

The new rules are temporary and would become final after public comments are received. (For information concerning the comment period, contact the

NRA government affairs department or refer to the July 23 *Federal Register*.) Among the changes included in the temporary IRS rules:

- the tip allocation threshold can now be reduced from eight percent to as low as two percent with the approval of an IRS district director
- employees as a group can now file a petition for a reduction in the eight percent tip reporting threshold
- the recordkeeping requirements for tipped employees are spelled out for the first time and
- individuals who own 50 percent or more of a food-service facility are not considered employees for the purposes of determining coverage.

Reducing the tip allocation threshold. The original law requires employers to allocate tip income to employees if total reported tips

do not equal or exceed eight percent of the establishment's gross sales. In those cases where tips are less than eight percent, employers can petition the IRS for a reduction in the reporting threshold (to as low as five percent).

As a result of the 1984 Act, IRS district directors may now reduce the threshold to as low as two percent, and for the first time employees can petition for a reduction.

Employee petitions. According to the temporary IRS regulations, an employee petition must be consented to by a majority of employees (more than one-half of the directly-tipped employees in an establishment).

These employees have the burden of supplying sufficient information to allow the district director to estimate the actual tip rate of the establishment. This information must be provided by the employer upon request of the employees or the director, but it will re-

main strictly confidential.

Substantiation of tip income. In general, an employee is required to maintain "sufficient evidence" to establish the amount of tip income received. Under the temporary rules, sufficient evidence consists of either a daily record or other evidence of tip income received "which is as credible and as reliable as a daily record."

IRS Form 4070A, *Employee's Daily Record of Tips*, may be used to maintain such a record. Each entry in a daily log must be made on or near the date the tip is received.

IRS says "other evidence" should consist of documents, such as copies of restaurant bills or credit card charges, that show the amount of tips that custom-

CUSTOMER'S
RECEIPT

	TAX	TIP	TOTAL
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ers added to checks or amounts from which tips are paid.

These new recordkeeping rules would become effective on Oct. 1, 1985. Until that time, employees should continue to keep sufficient evidence to substantiate their tip income.

Status of a 50-percent owner. Under the tempo-

rary rules, an individual is not considered an employee if he "owns 50 percent or more in value of the stock of a corporation operating an establishment . . ." For the purposes of determining coverage under the law, an employee was originally defined to include *all* individuals employed in the operation.

Plant closings bill still being considered

An NRA-opposed bill, H.R. 1616, to require prior notification of plant closings was approved by the House Education and Labor Committee in late July and may be taken up on the House floor this fall.

The bill, sponsored by U.S. Rep. William Ford (D-MI), would require employers to give 90 days' notice of closings if they employ 50 or more employees. The

bill does not define employee, leaving open the possibility of part-time employees being counted the same as full-time employees.

The bill also has a "good faith consultation" provision that requires an employer to provide relevant information to unions and other involved groups about its decision to close.

The vote to send the bill to the House floor was along partisan lines, with Democrats supporting it and Republicans voting against it. The Republicans argued that the bill would limit flexibility of businesses and force many to close plants that may otherwise remain open.

"Most businesses simply will not give adequate notice of mass layoffs and plant closings if they aren't required to do so by law," said Ford in defending the legislation.

But Rep. Marge Roukema (R-NJ), who led the fight against the bill, said the good faith consultation requirement would force companies to divulge trade secrets and sensitive financial information. Rep. Tom Petri (R-WI) said the bill could destroy a company that might appear to be foundering even though it is only cutting an unprofitable operation.

Roukema said the House may pass the bill but that "it is not going anywhere in the Senate."

—Jay Morris

Small Business Administration saved

The Senate recently passed a bill reauthorizing the Small Business Administration (SBA) for three years. The legislation saves the SBA from being dismantled as originally proposed by the administration, but it would trim an estimated \$2.5 billion from SBA programs.

Senate Majority Leader Robert Dole (R-KS) called passage of the bill, S. 408, the first test of budget restraint.

To achieve these savings, the bill would eliminate almost all direct loans; however, direct loans for minor-

ities, veterans and the handicapped would still be available. Guaranteed loans would also be maintained. The bill authorizes \$9.25 billion for fiscal years 1986-88.

The Senate-passed bill makes more cuts than the committee version of the bill. The Small Business Committee would have trimmed only \$851 million over the three fiscal years. Committee Chairman Lowell Weicker (R-CT) offered amendments that increase the savings to \$2.5 billion. This reflected an agreement between Weicker and the Reagan administration to reduce federal spending without abolishing SBA.

The Senate bill would

also bar farmers from the SBA disaster loan program. Farmers could still seek aid from the Farmers Home Administration, which Weicker says is better able to tend to their needs. This will save an estimated \$817 million over the three-year period.

A similar bill was passed by the House Small Business Committee on July 10. The bill, H.R. 2540, includes a provision to cut spending by SBA but would retain some direct lending to businesses. The House bill also bars farmers from receiving SBA disaster loans. H.R. 2540 is expected to be considered on the House floor when Congress returns from its August recess.

NRA spreads word about drawbacks of business meal deduction caps

NRA efforts to educate members of Congress and their staffs about the devastating effect a cap would have on the business meal deduction continued throughout the summer. District meetings, a staff seminar and meetings with representatives in Washington all helped NRA spread the word about the importance of preserving the full deductibility of the business meal.

Representatives from NRA and a local Washington restaurant met recently with House Minority Leader Robert Michel (R-IL) to discuss the business meal issue. Dominique D'Ermo of Dominique's restaurants in Washington, DC, and Miami, FL, and NRA's Director of Government Affairs Ron Sarasin explained to Michel the problems associated with the proposed cap. Rep. Michel recognized that the business meal pro-



"Good evening, I'm Maurice your waiter and this is Mr. Keppler from the IRS."

posal would hurt the industry. He also said he felt that a tax reform bill will not get through Congress this year.

Earlier this summer NRA sponsored a seminar on the business meal issue for Senate staff members. The seminar was held in conjunction with the Senate Travel and Tourism Caucus.

Robert Shriner, managing partner of Shriner-Midland Company, Washington, DC, discussed the results of a Chase Econometrics study, which showed a \$3.5 billion loss of foodservice sales and a loss of over 100,000 jobs in the first year the caps would be in effect. The participants were also informed about the \$6.0 billion loss in federal, state and local tax revenues that

this cap would cause over a three-year period.

Joining NRA in educating Senate staff were Robert Juliano of the Hotel Employees and Restaurant Employees International Union and Al McDermott of the American Hotel and Motel Association. McDermott read from a letter written by presidential candidate Ronald Reagan in 1980, which expressed Reagan's opposition to any limitation on the deductibility of business meals and entertainment expenses.

The President's tax reform plan would not only place an arbitrary cap on the business meal deduction, but it also would eliminate all deductions for business entertainment

expenses. This could include receptions, hospitality suites, catered events, parties and even banquets.

NRA encourages its members to contact their representatives and senators to urge them to oppose any proposal to curtail the deductibility of legitimate entertainment expenses. —Michele Rabayda

Public Affairs Conference

It's not too late to register for NRA's Public Affairs Conference, Sept. 30 to Oct. 2, at the J.W. Marriott Hotel in Washington, DC.

Conference activities will include presentations from national leaders, panel discussions on legislative/regulatory policy, a congressional reception and the opportunity to lobby Congress on restaurant issues.

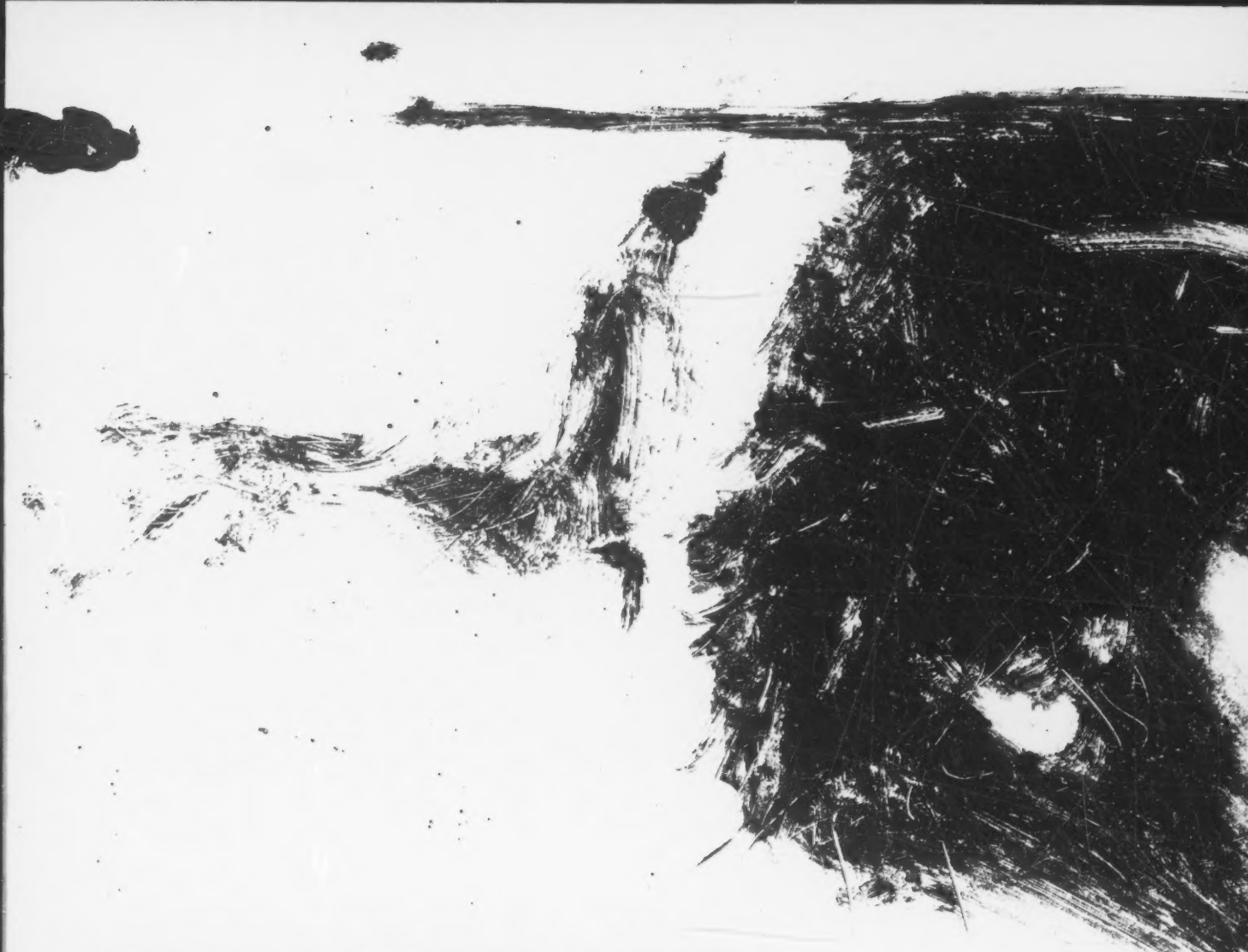
Senate Majority Leader Robert Dole (R-KS), House Majority Leader Jim Wright (D-TX), House Budget Committee Chairman William Gray (D-PA), Deputy Assistant to the President Linda Chavez and ABC White House Correspondent Sam Donaldson are just some of the speakers who will be featured.

The conference will provide participants with insights into how government really works and a chance to talk face-to-face with influential public officials about issues affecting the restaurant industry.

For information about registration and hotel accommodations, contact the NRA government affairs department, (800) 424-5156.



Robert Shriner presents the results of the Chase Econometrics study.



RESTAURANT SCHOOL GRADUATES READY FOR BUSINESS

by Kathy Boyle

Qualified, dedicated, enthusiastic young people are ready to go to work in restaurant management. They are willing to put in the long hours associated with the restaurant industry, but down the road most are looking for a payoff—either their own restaurant, a high-level, high-paying job or just the ability to control how they manage their time. For the restaurateur, the challenge is to channel their energy.



Today's college graduates are just as ready as their predecessors to set the world on fire. They have high hopes and expectations, and they are looking to the restaurant business to provide them with the challenges they yearn for.

Although backgrounds are strikingly individual, their willingness to work hard and eagerness for opportunity create a unifying thread among them.

They know they are qualified . . .

Like most new graduates, restaurant school graduates are confident they have a lot to offer. David Crane, who will graduate this December from Cornell's Restaurant and Hotel Management School in Ithaca, NY, believes his preparation at Cornell is giving him a broad background, not only in law, accounting and basic business but also in hotel, restaurant, resort and condominium management. "From day one, at Cornell you take food chemistry along with business," he notes. "I think by the time you graduate, you know what to expect." Along with the wide variety of course work, Crane believes he benefited from the program's problem-solving approach. "I think I could be stuck anywhere, and I could handle it. They teach you to think at Cornell."

Kathy Boyle is a free-lance writer in the Washington, DC, area who writes frequently on foodservice topics for NRA NEWS.

Illustration by Krawczyk

In addition to their formal schooling, most new graduates already have previous restaurant experience behind them—either from internships organized by the schools or part-time work in restaurants. David Hill, who will graduate from Le Cordon Rouge in Sausalito, CA, in October, will combine his degree with 10 years cooking experience at continental restaurants in the resort town of Vail, CO. Hill sees his formal training at Le Cordon Rouge as complementing the years of working and cooking in restaurants. "At Le Cordon Rouge they teach in the classic manner, but in restaurants I learned ordering, organizing and dealing with people," he observes.

Mary Donovan, a 1983 graduate of the Culinary Institute of America (CIA), who is now using a fellowship to rewrite CIA's consumer cookbook for Harper & Row, also knows what to expect in the real-life restaurant world. "When I helped a now successful Philadelphia restaurateur get his own restaurant going five years ago, I did everything from sewing curtains to developing menus," she recalls.

Several graduates agreed that not all the formal education has to be in restaurants to be useful. "As an undergraduate theater major, with acting experience after school, I feel I know how to please an audience, which is really what a restaurant is about," contends Stephen Benjamin, M.B.A. candidate at Michigan State's Hotel, Restaurant and Institutional Management program in Lansing, MI, who will graduate next June after putting in 118 credits in the M.B.A. program.

Challenging job is number one priority . . .

Restaurant school graduates are well aware of the rigors and long hours facing them in the restaurant business, but most seem to look beyond the long hours and hard work when thinking about their goals. Highest on the list is "an interesting, challenging job."

Mary Donovan looks toward a career in catering for the excitement she wants from a job. Expressing her love of cooking and foods, yet her desire not to get stuck in a rut, Donovan explains excitedly, "In catering you can be more flexible. It's not always the same food, the same menus. The cooking is more diversified, and you face a different set of circumstances each time."

Scott Berg, 1985 graduate of Johnson & Wales College in Providence, RI, shares Donovan's desire for job excitement and variety. His aspirations led him to a retail grocery firm, Giant Food, Inc. in Landover, MD. Berg is sous chef at Giant's gourmet location in McLean, VA, just outside of Washington, DC. Although he was promoted to his position five months after graduation, his tenure at Giant started long before. "I began with Giant just three weeks before they opened the McLean gourmet operation," tells Berg. "Then I decided to go to Johnson & Wales. During vacations and summers, I kept getting rehired at Giant, but when I graduated I knew I wanted to work for Giant."

Although there is no sit-down, eat-in restaurant in the store, there is a tremendous amount of cooking done on the premises. "It is a unique place," explains Berg. "I get to prepare foods from every country, with every style of menu. I do entrees, pasta salads, pates and a variety of soups. It's really more like a restaurant than a food store." Berg looks forward to moving to the next gourmet location when it opens.

For Linda Finkelstein, April 1985 graduate of Florida State University's Restaurant and Hotel Management School in Tallahassee, FL, "Independence in a job was my first priority. I wanted to use what I had learned in school. So many graduates don't get to express themselves."

Finkelstein found the challenge she was looking for at a 170-room, privately-owned hotel in Berkeley, CA. As banquet manager, Finkelstein has



had full control over banquet events in the hotel's 11 meeting rooms (capacity 800 banquet guests) and a growing staff of 25. "I've had the opportunity to try things and make my own mistakes," says Finkelstein. "It's been enlightening."

Samuel Coleman Bookbinder IV (Coley) is the fifth generation of a long line of restaurateurs. Bookbinder's family owns and runs the famous Bookbinder's Sea Food House in Philadelphia, PA. Currently Bookbinder is attending the University of Massachusetts Hotel, Restaurant and Travel Administration school in Amherst, MA. In the family tradition, Coley's older sister has already graduated from Cornell's Restaurant and Hotel Management School, and his younger brother is currently enrolled in the program at Cornell.

Having grown up in the business, Bookbinder understands the long hours that it takes to run a restaurant. "But I enjoy it so much it never seems like work," he maintains. Al-

though he's experienced with most restaurant chores, from brooding shrimp and scallops with his brother and sister as a teenager, to busboy, to tending bar, to assisting the chef, it is the dining room that fascinates him the most. "I really enjoy being out there with the customers," says Bookbinder.

Many want to open their own restaurant . . .

Some day, Bookbinder sees himself opening his own restaurant, "but not in Philadelphia. Maybe a restaurant in Nantucket, MA, or a wine bar in Burlington, VT."

Mapping out his strategy, Bookbinder explains, "I may attend CIA or Johnson & Wales for further training, and I'll work for someone else and learn from them. Right now, I know how my father runs things, but I'd like to learn how others do it, too." Meanwhile, to learn more about wine, he spent part of this summer's vacation attending the German Wine

Academy in Oestrich-Winkel, Germany.

Bookbinder is not the only graduate to want to open his own restaurant. Owning their own business is the dream of many students. But for David Hill of Le Cordon Rouge it may be more than a dream. After just one more year of working for someone else, Hill plans to combine his previous cooking experience with his recent training to open his own restaurant in the Bay area. Undaunted by the high costs of opening a restaurant, Hill explains, "I've got most of the capital together. I've been planning and saving for this for years."

For most students, however, the dream of owning their own restaurant is many years away. Scott Berg, who works at Giant Gourmet, some day hopes to open his own French and American cuisine restaurant in the Washington area. "But that is at least five to 10 years away," he laments.

Susan Leighton, an intermediate student at Le Cordon Rouge in Sausalito, CA, also realizes that her dream of owning a restaurant is many years away. First, she wants the hands-on experience of being an apprentice.

The mother of two teenage sons, Leighton returned to school after more than 15 years away from the workforce. "During my schooling here at Le Cordon Rouge, I have had an intense period of learning, but no experience. What I want to do now is work under the influence of an excellent chef in a small restaurant in the Napa Valley or Sonoma Valley. After one year under a chef in a small kitchen, I'll evaluate where I am and if I should return for more schooling."

Then she will canvass South America and Australia—where she has travelled extensively—to find the right location. "Here in the U.S., I feel it would take too much money to set it up myself," she observes.

Other graduates look toward consulting as their ultimate goal. "Personally I'm looking for a challenge," explains David Crane of Cornell, who views consulting as the ideal opportunity. "While you're in school, you're constantly challenged. I want that in a career. Something where I'm not stagnating." To get a firsthand idea of what consulting is all about, Crane took a job with restaurant consultant T.A. Thelander of Cleveland, OH,

during his summer break. So far, he feels he may have found his niche. "In such a short period, I feel I've learned so much. And the pace is fast-moving."

The long-range goal of Michigan State M.B.A. candidate Stephen Benjamin is to be a marketing consultant in the hospitality industry. But for the immediate future, "I see myself going with a company to learn the business," he says realistically.

The lure of consulting is there for Ruth Marcovitz as well, who will graduate from Michigan State in December 1986. "I like the variety of work in consulting," notes Marcovitz. "I hope to get an entry level position at one of the large consulting firms like Laventhol and Horwath. Then, if I like it, I may continue with school at night to get my C.P.A."

Salary is not of primary importance . . .

Although money is and will remain important, it is far behind "challenge and opportunity" as a motivation for recent graduates. Bill Lane, who graduated in December 1984 from the Hotel, Restaurant and Institutional Management program at Pennsylvania State University in University Park, PA, turned down two higher paying jobs for a chance to take a more exciting career opportunity. "I was offered a higher-paying position with a major hotel and restaurant chain in my hometown of Pittsburgh, and was given my choice of several of their locations," says Lane. Instead, Lane chose Howard Johnson's, "which paid less money, wouldn't tell me the town where they would put me but did promise to put me in the new concepts division," he explains. "This opportunity challenged me the most and offered me the most responsibility."

Lane feels his decision has paid off. "After six months I have more responsibility than I would have had anywhere else," he beams. "In fact, I'll stay forever if they'll continue to promote me. But if the advancement isn't there, then I won't hesitate to leave."

Most students are realistic about their salary expectations. Despite his M.B.A., Benjamin of Michigan State is not expecting more than a starting salary in the lower \$20,000 range. "But in five years I hope to be making in the upper \$30's," he notes.

Undergraduates, such as Crane of Cornell, expect a starting salary around \$15,000 to \$17,000 for an entry-level management job. But most expect that figure to double.

When experience is the main goal, salary becomes unimportant, for the job itself becomes an investment in the future. Says Leighton of Le Cordon Rouge, "I don't mind the low salary as long as I am in a position of learning from someone extraordinary. I can hold out for a while on a low wage."

Controlling their lifestyle . . .

Although most graduates see a 50 to 80-hour week ahead of them, some graduates are planning career paths that will eventually sidestep the long hours.

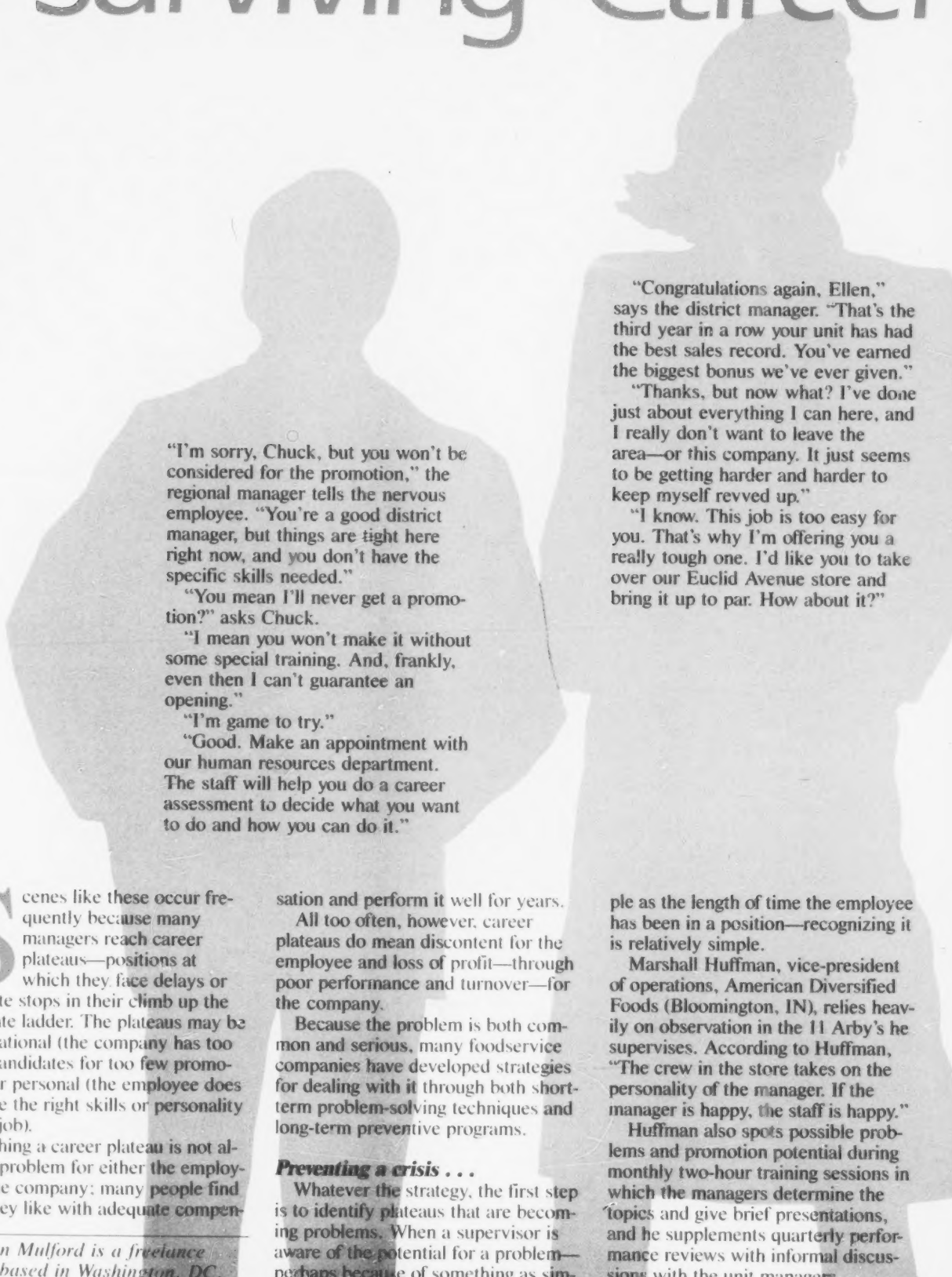
Dewey Markham, Jr. is one example. A 1984 graduate of the Culinary Institute of America, Markham eventually sees himself in a career of food writing. "Most people think of restaurant reviewing when they think of food writing. I'd like to do the type of writing that informs and educates the general public about food—maybe write for a consumer magazine like *Food and Wine* or *Gourmet*," he says.

Markham holds a degree in English from New York University and a master's degree in film. To strengthen his food writing skills, Markham plans to attend La Varenne in Paris, France, next year for its one-year editorial trainee program. By combining the culinary skills with writing, Markham feels he will have more control over his time. "Ultimately, I'll have a greater amount of time for myself and a more stable schedule. Even though I may be working 60 hours a week, they will be the 60 hours I choose, rather than the six days a week, nine to 10 hours a day required in a more traditional food career," he explains.

In conclusion . . .

The young people headed for a career in foodservice know what awaits them. They have the training and experience that gives them a realistic view of the industry and the high hopes and enthusiasm to forge their own niche. Given the challenges they desire, most of these young people will work with dedication and enthusiasm. But the entrepreneurial spirit is alive within them—waiting for expression in the years ahead. □

Surviving Career



"I'm sorry, Chuck, but you won't be considered for the promotion," the regional manager tells the nervous employee. "You're a good district manager, but things are tight here right now, and you don't have the specific skills needed."

"You mean I'll never get a promotion?" asks Chuck.

"I mean you won't make it without some special training. And, frankly, even then I can't guarantee an opening."

"I'm game to try."

"Good. Make an appointment with our human resources department. The staff will help you do a career assessment to decide what you want to do and how you can do it."

"Congratulations again, Ellen," says the district manager. "That's the third year in a row your unit has had the best sales record. You've earned the biggest bonus we've ever given."

"Thanks, but now what? I've done just about everything I can here, and I really don't want to leave the area—or this company. It just seems to be getting harder and harder to keep myself revved up."

"I know. This job is too easy for you. That's why I'm offering you a really tough one. I'd like you to take over our Euclid Avenue store and bring it up to par. How about it?"

Scenarios like these occur frequently because many managers reach career plateaus—positions at which they face delays or complete stops in their climb up the corporate ladder. The plateaus may be organizational (the company has too many candidates for too few promotions) or personal (the employee does not have the right skills or personality for the job).

Reaching a career plateau is not always a problem for either the employee or the company; many people find a job they like with adequate compen-

sation and perform it well for years.

All too often, however, career plateaus do mean discontent for the employee and loss of profit—through poor performance and turnover—for the company.

Because the problem is both common and serious, many foodservice companies have developed strategies for dealing with it through both short-term problem-solving techniques and long-term preventive programs.

Preventing a crisis . . .

Whatever the strategy, the first step is to identify plateaus that are becoming problems. When a supervisor is aware of the potential for a problem—perhaps because of something as sim-

ple as the length of time the employee has been in a position—recognizing it is relatively simple.

Marshall Huffman, vice-president of operations, American Diversified Foods (Bloomington, IN), relies heavily on observation in the 11 Arby's he supervises. According to Huffman, "The crew in the store takes on the personality of the manager. If the manager is happy, the staff is happy."

Huffman also spots possible problems and promotion potential during monthly two-hour training sessions in which the managers determine the topics and give brief presentations, and he supplements quarterly performance reviews with informal discussions with the unit managers.

Carolyn Mulford is a freelance writer based in Washington, DC.

Plateaus

by Carolyn Mulford

"It's not fair," the manager complains to the director of personnel. "This is the third time I've been passed over. How come?"

"You do a good job, but every supervisor has recommended against promotion because you have trouble making decisions. In fact, you should have been told two years ago that your chances for promotion are very slim. You are valuable where you are, so that job is yours as long as you keep performing as well as you have been."

The manager shakes his head. "I'll make one decision fast. I—I—I'm going to think about quitting."

"I hope you won't. In fact, we'd like you to play a role in our training program."

At Collins Foods International, headquartered in Los Angeles, CA, the emphasis is on anticipating—and thereby avoiding—personal and organizational plateau crises. Chief executive officer James A. Collins, an NRA board member, is concerned with making sure people are "in the right slot." Each year managers are asked to fill out career assessment forms to indicate where they want to go in the organization. Then the company tells them what they need to learn to get there. Collins offers its own management courses, including workshops on such topics as career planning, stress management and systematic problem solving as well as a week-long program called Management

Motivation, Performance and Improvement that helps middle managers analyze what they want to do in the growing and diverse company.

Anticipation is also the strategy at the Saga Corporation in Oakland, CA. Gary Wimp, vice president of management and development, studied career transitions to determine when and under what conditions his company could expect career plateaus and how to construct individual strategies to prevent these plateaus from reaching a crisis point.

Four major transitions . . .

He found that most employees have four major transition points: during their twenties when they just

come out of college and are beginning a career, during their thirties when they are starting to be less mobile and are realizing that soon they may reach a career plateau, during their forties when they confront the mid-career crisis, and during their fifties when they are anticipating retirement.

Based on this study, Saga will begin a Career and Life Management (CALM) program this fall. A central feature of CALM is a one-day workshop where managers will learn, among other things, how to prepare for the transitions by mapping out a life-long plan that identifies both their career and life goals. "We must let people know that it's alright to make a lateral move or even move down if it

Satisfaction clues

Satisfied managers

- Feel that what they are doing is vital to the success of the company
- See themselves as relatively indispensable in their jobs
- Do work they find interesting and challenging
- Participate in community activities
- Have supervisors who try to provide interesting and challenging work assignments

Dissatisfied managers

- Often receive better evaluations than they earn
- Are less active than other managers in adopting new technology
- Are unwilling to adapt to changes in the work environment
- Narrow the scope of their jobs and show little interest in understanding their supervisors' positions
- Often consider themselves too good for their jobs
- Are unwilling or unable to do better work to meet higher expectations.

(Adapted from *Managerial Career Plateaus*, by James A. F. Stoner, Thomas Ference, E. Kirby Warren, and H. Kurt Christensen; Columbia University, 1980.)

is right for them. We are starting to address that through the CALM workshop, which emphasizes "whatever you choose is okay."

Other preventative measures at Saga include an annual career counseling session (separate from evaluation) with one's supervisor in which both parties look ahead five years and develop a career plan with specific steps to be taken.

Saga also uses counseling, with an outside consultant, to help with special problems, such as a demotion. Counseling is available for the spouse as well as the employee because many supervisors point out that part of the stress of the career plateau comes from the unrealistic expectations of the employees' family and friends.

When advancement is not an option . . .

No matter how carefully a company guards against surprises, how-

ever, some situations come to a head unexpectedly and require immediate action. Doing nothing often results in employees' resigning or becoming so discouraged they become ineffective and have to be let go.

Money—in the form of salary increases or bonuses—sometimes helps, at least for a little while. But most managers concerned with career plateau problems emphasize that money—as long as it is at least equal to what could be earned in comparable positions—is not as important as other factors, such as challenge, opportunity, status and self-satisfaction. For unit managers, a fifth factor—regular working hours—is often key.

Surveys tend to bear out these observations. The 1983 *Restaurants and Institutions Job Study* showed low salary ranked first (30.3 percent) of major career worries among all employees, but close behind were feeling too much stress (27.4 percent) and little room for advancement (25.2 percent). Significantly, wanting more room for advancement was the single biggest reason given for leaving the last foodservice job (25.8 percent).

But what does the supervisor do when advancement—at least at the moment—is not an option? How does the supervisor stir in the vital ingredients, such as challenge, without creating a new product? The three opening scenarios indicate some of the answers: offer training that will qualify the employee for a promotion when it becomes available, transfer the employee to a like position that requires superior skills or, alternatively, add more challenging responsibilities to an employee's work load.

Dennis Zaia, director of human resources at Creative Gourmets Limited (Boston, MA), maintains that "there are always mechanisms for expanding a job to meet a person's needs."

One way he encourages steady growth is by assigning special projects, such as a corporate cafeteria manager supervising the preparation and delivery of 2,000 box lunches for a Boston Symphony event. Zaia says that such activities combat boredom, "one of the precipices upon which people climb to get to a plateau."

Involvement in training others seems to be another favorite technique for helping an employee survive the career plateau because it gives added status and recognition much in

the same way as a promotion would, provides new stimulation and usually adds a bit to the paycheck. Similar in effect are assignments to prepare special promotional materials, to assist in sanitation inspections in other units and to conduct research to be shared with other managers.

Not all special projects mean extra pay, of course. Huffman of Arby's sometimes encourages his managers to take part in community events. It is good public relations, and "it gets them away from the store, which may be necessary to prevent tunnel vision." For example, one of his managers wears company T-shirts as he competes in bicycle races.

Lateral transfer is another popular option, although Zaia cautions that "a transfer helps only if there are limited opportunities where the person is and more where that person is going."

Epilogue . . .

Chuck met with the human resources director and outlined a one-year self-improvement plan that included participating in a company management workshop, attending a course on computerized accounting at a local college and developing two new on-the-job skills. In 18 months he got his promotion.

Ellen took over the Euclid Avenue unit and brought sales to record levels in 15 months. Now her responsibilities include advising other unit managers how to increase their sales.

The man denied a promotion because he had trouble making decisions did not quit. He did well in his new role as a trainer and requested counseling to help him conquer his reluctance to make decisions. He didn't get a promotion, but his performance improved. □

Financing the New Restaurant

by Maurice P. Minno and Rohit Bhayana

Traditionally, the restaurant business has been plagued by a high failure rate, making it unattractive to many investors and lenders. However, the probability of failure can be overcome with preplanning and hard work. Some of the preplanning issues were discussed in parts one and two of this series, "Planning a New Restaurant." Part one in the May 1985 issue of the **NRA NEWS** presented a practical approach to conducting your own market and feasibility study, and part two in the June/July 1985 issue of **NRA NEWS** concerned the project planning team.

In this article, we discuss the most often used financing vehicles for new independently-owned restaurants.

The first step in financing a restaurant is to determine how much capital or development money you need. Some typical costs include

- Land or real estate
- Utility deposits
- Rent deposits
- Business licenses, permit fees
- Insurance premiums
- Business incorporation costs, including trademark registration
- Professional fees for a lawyer, food-service consultant, architect and other members of the project planning team (see "The Project Planning Team," article two of this series)
- Furniture, fixtures, and equipment
- Kitchen smallwares
- Tabletop settings
- Landscaping
- Uniforms
- Printing
- Graphics fees

Maurice P. Minno is a principal and Rohit Bhayana is an associate of MDR Associates and the Food Design Workshop in Fairfax, VA, a professional hospitality management consulting firm, specializing in restaurant development, menu development, and kitchen design.

- Pre-opening marketing and advertising
- Pre-opening payroll, food, beverage, and supplies and
- Working capital for six months to a year to cover possible losses.

Whose money?...

Next you must decide how much of your own capital you want to contribute and how much money you want to borrow. Most often, the less you contribute, the less control you have of the restaurant.

Another factor you should consider is how much debt can be covered by the cash flow of your restaurant. Borrowed money has to be paid back usually in the form of regular monthly payments. Equity contributors only need to be compensated when profits are available. A restaurant laden with a large debt may fail even before it has a chance to succeed.

Forming partnerships...

Due to the risks, capital requirements and time constraints, restaurateurs often form partnerships to spread the risk and provide much needed capital and time. As an added benefit, partners may complement each other's skills and experience, increasing the chances for success.

Basically, partnerships may be formed informally by a group or formally through a limited partnership syndication. Limited partnership syndications, often used as financing vehicles for restaurants, are usually organized with one general partner and one or more limited partners. The general partner is fully responsible for managing the restaurant and is liable for all debts and legal obligations. The limited partners' roles are basically those of passive investors who have no say in the management of the restaurant. Their benefits lie in the appreciation and tax benefits of owning real estate.

Even for an informal group, a qualified lawyer should be retained to prepare a partnership agreement that complies with the Securities and Exchange Commission (SEC) regulations and securities related regulations in your state.

To protect the interests of all persons involved in a limited partnership syndication, the SEC requires that partnership solicitations be documented through a private placement memorandum. This complex legal document describes the:

- legal organization of the proposed business
- expected proceeds
- management qualifications of those running the restaurant
- restaurant concept and expected competition
- target market area
- income tax consequences
- investment objectives
- legal duties and responsibilities of the partners
- profit distribution policies and financial projections and
- other items that might be needed.

Securing a loan...

Bankers, traditionally conservative, are leary of making loans to restaurants since, historically, they have a high failure rate. To sway bankers from their conservative perch, you need to do your research. Bankers generally require these prerequisites before granting a restaurant loan:

• **A well thought-out concept.** This should be presented as a written business plan (see sidebar). The plan does not need to be composed of great prose. An outline will do the job if all points are covered.

• **A market and feasibility study.** Your knowledge of your concept, market potential and competition should be fully discussed in the business plan. You must be able to define the marketing niche in which your restaurant will operate.

• **Proven management success.** An operator who has another successful restaurant is an attractive borrower for a banker. In lieu of previous ownership, you should have considerable experience operating the type of restaurant that you now want to open.

• **Personal equity capital.** If you do not pledge your personal assets as collateral, banks will often not consider the loan.

• **Operator owned and managed.** Banks tend to lean towards operators who will own and run the restaurant themselves. They feel an owner/operator is more likely to work the long hours needed to make a restaurant successful since his livelihood depends on it.

Also be prepared to overcome the banker's concerns about the lack of proper management among independent restaurateurs. Demonstrate that you have plans to avoid these common pitfalls:

- Not paying enough attention to the financial aspects of the business.
- Undercapitalizing the project so there are limited cash reserves during the initial lean months.

- Not having the expertise needed to control costs and develop procedures for controls.

- Underestimating the competition and overestimating the market's potential and

- Choosing the wrong location.

One banker we met with was surprised at the number of times he had seen a particular site made into a restaurant, only to repeatedly fail. He questioned the judgment of those who tried to make a bad location work.

Commercial lending officers for large banks recommend small local banks as a first source of funds. They maintain the smaller banks are more attuned to the local market in which the restaurant may operate, and they tend to cater to smaller businesses more than larger banks do.

Most banks are willing to negotiate flexible payment terms that coincide with the restaurant's cash flow. In the initial months, interest-only payments may be made, holding off the principal payments until the cash flow increases.

Getting help from the SBA...

Despite the attempts to abolish the Small Business Administration (SBA), Congress has elected to keep the 32-

An outline for a sample business plan

All lenders, potential lessors and equity contributors have one demand in common: a well-researched and documented business plan backed up by valid assumptions. The sample business plan outline presented below could be used either to prepare your own business plan or to check one prepared by a consultant.

I. Cover letter

II. Executive summary of the business plan's contents

- A. Restaurant name and location
- B. Expected market and competition
- C. Concept description
- D. Management expertise
- E. Summary of financial needs and applications
- F. Short and long-term earnings projections and potential return to investors

III. Introduction

- A. Background and concept review
- B. Industry and population dining trends which affect concept
- C. Management's recognition of restaurant industry characteristics and the demands it places on managers/owners
- D. Why the concept will succeed

IV. Concept discussion and marketing plan

- A. Restaurant name with rationale
- B. Menu description with rationale
- C. Service style description
- D. Number of seats
- E. Days and hours of operation
- F. Decor and atmosphere, including uniforms and graphics
- G. Entertainment
- H. Pricing
- I. Promotional activities with time schedule

V. Market analysis

- A. Market statistical and demographic analysis
- B. Primary market area discussion
- C. Secondary market area discussion
- D. Competition
- E. Discussion of local market trends

VI. Management plan

- A. Form of business organization
- B. Principal management members with resumes
- C. Schedule of activities required for successful operation

VII. Financial analysis

- A. Financial statements for three to five years
- B. Capital and development budget
- C. Cash flow and break-even point analysis
- D. Detailed assumptions supporting the financial projections
- E. Analysis of projections, comparison with industry ratios
- F. Projected application of funds received
- G. Potential return to investors

year old agency. Even so, the funds available for direct SBA loans for restaurants other than those owned by the handicapped or veterans may be eliminated. SBA guaranteed loans, however, will continue to be available.

The SBA, established by a congressional mandate, has a mission to aid, counsel and assist small busi-

nesses in meeting their financial needs and tackling other business-related problems. Even though they may be known as the lender of last resort, they are actually a loan guarantor or cosigner.

Basically, the SBA provides a guarantee up to 90 percent and a maximum exposure of \$500,000. The

loans are typically made by financial institutions, such as banks and savings and loans.

To qualify for a SBA-guaranteed loan, you need to display that you have attempted to obtain financing from other sources, especially a bank. In cities larger than 200,000 people, the SBA requires refusals from at least two banks before you

cerns about the cost of converting bankrupt restaurants into useable commercial space. Once a space has been made a restaurant, it has limited other uses since the initial installation of equipment and furnishings must all be removed before the area can be rented again. According to Matt McCormick of Coldwell Banker in Washington, DC, landlords also note

vides and his perception of your restaurant. If the landlord views the restaurant as a facility that will enhance the image of his project, he may offer very favorable lease terms and may even express interest in buying an equity position in the business.

What landlords provide varies. Some will just provide the shell of the building while others provide a complete turn key operation, minus only the staff, food and beverage.

Lease payment arrangements also vary. Some options include:

- A minimum monthly rent plus a specified percentage of gross sales.
- A minimum monthly rent or specified percentage, whichever is greater.
- A minimum monthly rent plus a percentage of sales once they exceed a certain level.
- A flat monthly rental fee.
- A flat percentage of monthly sales.
- A sliding percentage of gross sales where the percentage decreases as volume increases.

Besides leasing the real property, it is typical to lease the equipment often with an option to buy. Equipment leases are usually for a flat monthly fee. In the past, equipment dealers would serve as lessors; however, now most refer operators to local banks or leasing companies.

Sources for financing restaurant start-ups

Type of money Source

Equity	Personal funds, limited partnership syndications, private stock offerings
Debt	Personal loans from family or friends, bank loans, landlord-carryback, lease or contribution, SBA-guaranteed or direct term loan, real estate investment trusts (REIT), urban development grants
Combination debt/equity	Venture capitalists

can apply to the SBA. Besides the refusal criteria, you must meet the SBA's definition of a small business, which most restaurants do.

Although it may be possible to obtain SBA guaranteed financing by a bank, SBA standards are stringent. The SBA requires a well-thought out, documented business plan. It also looks for collateral as security for the loan.

The leasing alternative...

For many restaurateurs, lease financing is often the best option because it requires minimal up-front capital. On the negative side, you have less control of your operation since you must comply with the landlord's demands.

Although obtaining a restaurant lease may be less financially draining than a loan, it is still as demanding when it comes to your business plan. Landlords are looking for a stable business to provide them with a steady cash flow. They want someone who will occupy the site for several years so that they do not have to perpetually find new tenants.

Landlords, like banks, have con-

cerns about the cost of converting bankrupt restaurants into useable commercial space. Once a space has been made a restaurant, it has limited other uses since the initial installation of equipment and furnishings must all be removed before the area can be rented again. According to Matt McCormick of Coldwell Banker in Washington, DC, landlords also note

that many restaurateurs looking for leased space do not come prepared with specifics, such as architectural sketches, menus and financial statements. For some reason, restaurateurs feel that the landlord does not need to know all the particulars of their restaurant. Yet, according to Matt McCormick, landlords regard a detailed business plan as an absolute necessity to obtaining a lease.

Since many small operators lack a written plan, a realtor and landlord are prone to work with larger, established chains where the risk is minimized. The only way for the independent operator to combat this is with an organized, carefully thought-out presentation based on solid research and sound assumptions.

Lease terms...

All terms of a lease are negotiable and usually depend on your relative financial strength and the attractiveness of your proposed restaurant. Typically, though, you must pay all real estate taxes, maintenance costs, utilities and insurance. The lease payment is dependent on the level of improvement which the landlord pro-

Other sources...

The sources for capital discussed in this article are the most common ones. However, other financial sources are available to restaurateurs, such as private stock offerings, real estate investment trusts, urban development grants and venture capital. These alternate capital sources tend to offer minimal restaurant financing. They should be approached only after the more common sources have proven futile.

In sum...

Finding financing for start-up restaurants is a difficult task. However, by understanding the concerns and requirements of potential lenders and conveying your understanding through a detailed business plan, you can greatly increase the chances of securing financing for your restaurant.

Does your restaurant cater to the person who craves privacy and peace? Then follow the guidelines in Column A. Or do you long for the customer who gravitates to crowds, noise and action? Check out the tips in Column B. If you prefer a more moderate course of action or want to create alternative zones within your restaurant, choose a few pointers from each.

TWO WINNING



At Spiaggia, a Northern Italian restaurant in Chicago, IL, comfortable booths and marble columns help subdivide the large open space, which provides increased intimacy.

A

The Quiet, Intimate Restaurant

1. Use a series of small dining areas or partitions to subdivide the space.
2. Choose tables that reinforce the nature of the space. Booths are the most private, with four-tops second.
3. Use tables of modest proportions so customers can sit closer to one another than to other customers.
4. Place tables creatively to help customers avoid unwanted eye contact, which many customers find more intrusive than physical proximity. Arranging tables at angles is a
5. key to preventing customers from locking eyes with other diners.
5. Keep in mind that the majority of people prefer sitting "corner to corner" with their dinner partners or sitting on opposite sides of the table. Few people prefer side by side seating in a booth or banquette because it is hard to make the eye contact that is essential to normal conversation.
6. Space customers evenly around the dining area, especially when it is not crowded.
7. Reserve a separate room for waiting customers or route them immediately to the bar so customers who are already dining need not suf-

fer the hungry stares of the latest arrivals.

8. Rely on muted lighting as well as subdued colors and textures to focus the attention of customers on their own tables.

9. Play soft music to blur the sound of conversation.

10. Blunt the sounds with lush carpets and drapes.

11. Use the bar only as a holding area; handle most of the bar service at the tables, which are more private.

12. Screen the kitchen from the dining area so that customers are not assaulted by noise and light every time the door opens.

FORMULAS FOR PERSONAL SPACE



Friends and strangers share tables at Durgin Park in Boston, MA, generating the bustling, comfortable atmosphere at the New England-style eatery.

B The Friendly, Bustling Restaurant

1. Make sure the entire bar or dining area is visible the moment a customer enters your establishment.

2. Favor four-tops in a large open area or banquettes.

3. Stick with tables of modest proportions. In a bar, use small tables or low ones that minimize the distance between members of a party.

4. Choose flowing graphics or other design elements that make people feel linked to one another.

5. For a no-nonsense atmosphere, such as that of a family restaurant, keep the light level high. To make customers think they have arrived at a party, not a restaurant, keep it low.

6. If there is music or live entertainment, keep the volume moderately high.

7. Use a high level of acoustics to make sound carry. Techniques include eliminating ceiling tiles and installing tile or wood floors.

8. Choose a center core bar or one with a loose, open-ended arrangement of seats that does not shut anyone out. Angles and oddly shaped

nooks will create more visual interest and incentive for people to move about and talk.

9. Locate the waiting area near the dining room, so people at the tables will feel gratified they picked such a popular restaurant.

10. Forget the kitchen door. Involve customers in the preparation of their food by knocking down part of the kitchen wall, opening an oyster or sushi bar or grilling steaks in the dining room. This will draw customer attention away from their tables and will encourage contact with others. □

—Toni Lydecker



Ceiling tiles of varying angles and fabric-wrapped wall panels are effective sound deflectors at Windows on the World.

NOISE CONTROL STRIKING THE RIGHT ACOUSTICAL BALANCE

by Pete McCall

Several years ago, an elegant restaurant in a large sports facility was fully renovated; and its dining room was handsomely finished with a carpeted floor, good furniture and a ceiling of natural oak boarding. But, as soon as the restaurant opened, it was painfully apparent that the dining room was an acoustical disaster. Even when partially occupied, it was intolerably noisy. To remedy the situation, an acoustics consultant recommended covering the 5,000-square-foot oak ceiling with sound-absorbing material. Convinced that a covering was necessary to absorb the sound, the owners installed a fabric-faced fiberglass board treatment over the oak boarding and then covered this with narrow oak slats, spaced six inches apart. Although the extensive remedial work wasn't cheap, it did solve the problem, and today the dining room is reasonably quiet.

As this example illustrates, all too

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often restaurants don't understand the effect of noise control until there is a problem. Yet today noise control has become such an important part of America's restaurant scene that many restaurant critics note unduly high noise levels in their reviews.

What is restaurant noise? . . .

The noise we hear in restaurants is made up of a combination of sounds: people eating and talking, waiters serving and cleaning, rattle from kitchens, vibration from the ventilation system and background or live music. Restaurant noise is typically between 20 and 30 decibels higher than office noise—in other words, four to five times as loud, according to BBN Laboratories, Inc., a subsidiary of Bolt Beranek and Newman, Inc. (Cambridge, MA).

"A restaurant is generally considered quiet if people can easily converse with their dining companions without being bothered by activity noise or the conversation of others," says Jack Curtis, architectural acoustics consultant of BBN Laboratories.

While too much noise makes a restaurant unpleasant for most people, too much quiet in a dining space can also be unappealing, especially for

diners who can overhear the intimate conversation of others; what's worse, they know their conversations can be overheard.

In a restaurant where tables are closely spaced without dividing screens, the background sound is controlled largely by the level of conversation of many diners, resulting in much more noise than is usually heard in an office environment. If the space is finished with hard, sound-reflecting materials, the levels of speech may be so high that people have to shout to be heard. Such conditions create an unpleasant dining environment.

How to control noise . . .

While some restaurants continue to thrive on noisy conviviality, many are now beginning to respond to customer demand for noise control. According to Cyril M. Harris, the acoustical consultant for the Kennedy Center in Washington, DC, and the Lincoln Center in New York City, two principal methods of noise control are (1) increasing the acoustical absorption of the interior space since noise levels diminish as the amount of absorption increases and (2) isolating interior noise, thereby preventing or reducing

the transmission of noise into the dining space.

Some ways to increase sound absorption include good carpeting, upholstered furnishings, draperies, wall hangings, distance between tables and acoustically treated ceilings.

Ceiling treatment: Experts agree that the most important surface in the room for control of noise is the ceiling because it is usually a room's largest surface. "Many restaurateurs don't think they have enough money at the onset so they either ignore acoustical treatment or install cheap materials—and then end up paying much more in the long-run in patch-up jobs," observes Mark Schultz, vice president of Sound Systems, Inc. (St. Louis, MO). This is a mistake. A good ceiling treatment should be developed at the onset of a restaurant's design and construction, not years later.

A dining area's ceiling material should be an efficient sound absorber, absorbing at least 65 percent of the sound generated, according to BBN. If the ceiling is hard and sound-reflecting (wood, plaster or concrete), sounds will spread everywhere with little reduction, and noise levels will build up. If the ceiling is sound-absorbing, much less sound is reflected to the other areas, and the sound level falls off as one moves away from the talker.

The essential element of any sound absorbing treatment is the sound absorbing core. Many consultants believe this core should be at least three-fourths of one inch thick and preferably made of a fiberglass product. Acoustical plaster is virtually worthless, Curtis maintains, and wood strips on a rough textured material alone will provide no sound absorption. Acoustical tiles—as long as they are not painted over—or fiberglass panels faced with fabric, wood slats, perforated metal facings or grilles are efficient alternatives.

Partitions and Levels: Moveable partitions and different dining levels between private dining rooms also help absorb sound. At Windows on the World (New York, NY) patrons can dine and converse in comfort while viewing the New York City skyline because the restaurant took steps to control noise at the onset of design and construction in 1970. Sound absorption was challenging. The unshaded glass windows, which provide the ambiance for the restaurant, create reverberation that could

have been disturbing. But the interior design team from Warren Platner Associates (New Haven, CT) provided an acoustical solution. First came such standard treatments as acoustical tiles on the ceiling, carpeting in the main dining room and special wall treatments, including fabric-wrapped panels. What further helped control noise were different levels of dining spaces and movable partitions between private dining rooms.

Different dining levels also help control noise in Seattle's landmark seafood restaurant, McCormick's, according to architect Fred Bassetti, who designed and owns the renovated building. The 141-seat restaurant—created from the adaptive use of a three-story transient hotel built in 1909—occupies four levels. Each level projects a "different mood," according to Bassetti. The brighter sounds come from the bar on the upper level while softer echoes are heard in the dining levels below.

Carpeting, draperies and furnishings: "Carpeting is particularly helpful, where practical considerations permit its use because it not only supplies such absorption but also reduces footfalls," says Harris in his acclaimed book *Dining by Design*.

In selecting carpeting to achieve maximum noise control, Harris suggests following this guideline: "The greater the face weight (i.e., the weight per unit area of the carpet pile), the greater the sound absorption." This means that absorption increases with pile height, assuming all other characteristics of the carpet are the same. And though cost obviously goes up with an increase in face-weight, it is important to recognize that the wearing qualities of the carpet also increase.

Properly selected furniture in an interior space can also contribute significantly to the overall sound absorption in a room and can thus reduce the general background noise within it. For example, noisy restaurants can be improved by using smaller dining tables. These decrease the distance between talkers at a table, making conversation easier.

Furniture's ability to reduce noise often depends on its materials. "To provide significant sound absorption, the fabric used to cover furniture must be porous so that sound waves can penetrate the surface," says Harris. "Similarly, the padding beneath the fabric must be porous. Therefore,

if a sponge Neoprene is used, it must be of the 'open cell' type."

Draperies made of porous fabrics can be effective noise reducers if their fabric is heavy and full. When they are near diners, draperies and wall treatments are especially effective.

"Our problem at the Shenandoah Country Club (Front Royal, VA) stemmed from the dining room's large expanse of glass. Without curtains and other acoustical treatment, this room would have been a disaster. Now, it's a very pleasant dining area," says Bill Peterson, president of Acoustic Architects, a division of Professional Sound Industries, in Fairfax, VA.

Kitchen noise: Although the noise of diners' conversation is a principal problem in most restaurants, there are occasions when kitchen noise can be annoying, especially to people seated near the serving doors. The simplest way to deal with this problem is to reduce the noise at its source: install acoustical materials in the kitchen itself, especially a sound-absorbing ceiling in the work area. Also, the entrance to the kitchen or the passageway between kitchen and dining areas should be finished with sound-absorbing materials, and dishwashers and ventilation fans should be resiliently mounted so they won't vibrate and radiate noise.

Of course, some restaurants thrive on kitchen noise activity because it becomes part of a restaurant's entertainment. Patrons at Little Joe's in San Francisco, CA, line up in front of the open kitchen as they wait for tables (often with drinks in hand), watching the chef and cooks prepare Italian dishes. The clatter of pots, pans and dishes as well as shouts of kitchen personnel seem to amplify the popular restaurant's comfortable ambience. Pig Heaven and Safari Grill are two New York City restaurants with kitchens in the middle of the dining areas, people can see—and hear—their food being prepared.

In sum . . .

Striking the right acoustical balance is a challenge that faces all restaurants. Patrons must feel psychologically comfortable to really enjoy their food. When there is too much noise, it can be jarring; when a restaurant is too quiet, it can be dull. Each restaurant must find an acoustical solution that is consistent with its concept and market. □

*Restaurateurs Battle
No Shows*

When a celebrated New York restaurateur called a customer at 3 a.m. to remind him that his table was still waiting, that brash move made news from coast to coast. No less bold was the call made by a Houston restaurateur who tracked down a no-show customer dining with nine friends at a competing restaurant. "Do you know that you just cost me \$500?" he bellowed. Although most operators don't go to such extreme measures to reprimand no-shows, many are taking steps to cut back on the problem.

On a typical Saturday last September, three or four reservations turned into no-shows at Cafe Provencal, an 80-seat fine dining, dinner-only restaurant in Evanston, IL. Today the number of no-shows is cut in half, and the restaurant has saved almost \$500,000 in no-show losses. Contributing to the dramatic turnaround were new reconfirmation policies and a computerized blacklist of no-show offenders. "I don't think that people fail to cancel reservations purposely," surmises owner Leslee Reis. "I think that dining out for most people is what they do for pleasure. They don't think of it as a business. If they can't come, they don't take it seriously."

A look at the problem . . .

Study findings support Reis's impression. In a survey conducted by American Express, no-shows ranged from one percent in those restaurants where stringent measures were taken to combat the problem to 30 percent for New Year's Eve when there were no preventative measures taken.

As might be expected, reservation problems are not the same for all restaurants, for all times of the week. Hit hardest by the no-show problem are small fine dining establishments that have little or no walk-in business to bridge the gap. In a 60-seat restaurant, for example, if two tables don't show or cancel too late to be filled from a waiting list, that could mean 10 percent or more of that night's business.

Almost all restaurants find that they are especially vulnerable to no-shows on Saturdays and holidays. As Stuart Levin, owner of the Top of the Park, observes, "The public that dines on Saturday is usually not the regular customer." He points to the no-show problem at his own 120-seat restaurant on the 43rd floor of a Manhattan skyscraper. Although there is less than five percent no-show traffic on weeknights, the number almost doubles on Fridays, and for Saturdays it can reach as high as 20 percent. Restaurateurs speculate that inconsiderate diners often make reservations at several establishments for a Saturday evening and then decide at the last minute where they will go—leaving the alternates stranded.

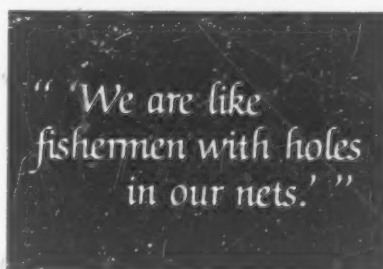
There is no dining segment that can shoulder most of the blame for the no-show problem. Some restaurants

by Sylvia Rivchun

point the finger at out-of-town business, while others swear that conventioners are their most punctual patrons. In general, however, large parties are the greatest offenders. Even when they do show up, large parties often arrive in numbers smaller than that specified in the original reservation.

A look at the solutions . . .

Coming to grips with the no-show problem has been a difficult situation for most operators who pride themselves on their hospitality and their concern for their guests. "You spend



your days thinking about how to please people," says Joanna Filomenia, owner of Filomenia's, a 199-seat fine dining establishment in Washington, D.C. "Now this surely doesn't fit into that category."

Although some operators don't believe there is much that can be done to encourage people to honor their reservations except to treat them so well that they will want to return, others are taking firm steps to raise the awareness of their customers and to hedge their losses. Solutions vary from verbal agreements and reconfirmations to more drastic measures, such as requiring deposits, overbooking and blacklisting offenders.

A consistent policy. No matter how a restaurant decides to handle the no-show problem, a policy that will be consistently followed helps assure its success—whether it concerns no-shows, confirmations, cancellations, late arrivals or changes in party size.

"We always answer the phone in the same way to everyone. We stick to the same rules for everyone. We do the same thing, year in and year out, and hope that our customers learn to accept the pattern," says Susan Wine, co-owner of the Quilted Giraffe, a 65-seat restaurant in Manhattan.

"You don't want to have to deal

with the same problem from the same people over and over. If I tell someone on the phone that they can have a 7:00 reservation and they accept that reservation and then arrive at 7:45 and I seat them, where am I? They'll do the same thing the next week, and I've lost the turn on that table forever.

"You have to live within the rules," she says adamantly.

Verbal agreements. "It's important the public learn that when one makes a reservation, one makes an agreement. Agreements are meant to be honored," says Gordon Sinclair, owner of Gordon's, a 150-seat fine dining restaurant in Chicago, IL.

That is why he is very particular about the way his staff takes reservations. "Reservations enroll people into being in a restaurant. It's all in the conversation," he maintains. "We're very clear we're making an agreement, not just a reservation. For example, the hostess always asks, 'If there is any change in your plans, will you agree to call us please?'" The careful wording seems to work. "People do call back," says Sinclair. "I have more cancellations now than no-shows."

Reconfirming reservations. This is perhaps the single most effective technique for cutting back on the no-show problem. Although operators have implemented their own version of checking up on who's coming to dinner, the simple act of taking down a phone number increases the chances the guest will show up. Many top restaurateurs now require that customers—especially those in large parties—leave a telephone number and call to reconfirm the day before or by a specified time (generally about 2 p.m.) on the day of the reservation. If a customer fails to call and the restaurant cannot reach the patron, the reservation can be cancelled. This is especially important for Saturday, which operators agree is the busiest day in any restaurant.

To give them the confidence they need to give away a non-reconfirmed reservation, some operators have built in an additional step in their reservation process. One such procedure is used at Cafe Provencal. "We write a little 'we' (will confirm) in the reservation book, which means that the reservation holders have agreed to call us. This makes me secure in cancelling the reservation if they don't call," says Leslee Reis.

Limiting advance reservations. Peo-

ple's plans change so often that accepting reservations too far in advance seldom pays off. Reinhardt Lynch, the innovative co-owner of the Inn at Little Washington (Little Washington, VA), a 50-seat restaurant in a small, comfortable inn, has observed that people who call too far in advance don't feel a personal commitment to keeping the reservation. That is why he does not accept reservations for more than three weeks in advance unless the customer is willing to put down a non-refundable deposit. "Very few people take me up on the deposit," notes Lynch, "even though some customers, at first, insist on booking a month or more in advance. The public doesn't feel the same responsibility to restaurants as they do to doctors or dentists."

Morning-after calls. "My aunt took sick." "The car broke down." "Didn't my secretary/wife/daughter-in-law call you?" These are some of the standard excuses restaurateurs hear when they check on no-shows the morning after. Restaurateurs call to ask, "Did we make a mistake? Is it for another evening?" "We give the clients the benefit of the doubt," says Don Dianda, owner of Doro's, a 150-seat fine dining restaurant in San Francisco, CA. "But at best we are like fishermen with holes in our nets."

Occasionally operators find that they have jotted down a reservation on the wrong day, and this gives them the opportunity to make amends. When the error is the customer's and not the restaurant's, the call is a gentle reprimand that can heighten a customer's awareness about the importance of honoring a reservation.

Overbooking. Following the lead of the airlines, some restaurants intentionally overbook a few tables, figuring they will get some no-shows. At Jasper's, a 73-seat restaurant that serves modern American cuisine in Boston, MA, the problem with no-shows is primarily on winter weekends, starting at 9 p.m. To circumvent this problem, the restaurant overbooks, overlapping reservations for that time period. This does not generally result in a problem, but occasionally everyone arrives. "By picking up one drink and explaining that we are backed up, customers are more than consoled because they can see how busy we are," says Julie White, the owner's sister. White books very carefully to make sure the wait is no more than 30 minutes.

At Cafe Provencal, overbooking is anathema. "I've been told that I should overbook by a table or two, but about once every four weeks everybody shows up," says Reis. "If you have a lot of tables or a one-hour dinner, that's one thing. You can deal with a 45-minute wait. You can buy a drink and serve an appetizer, give them a menu, the wine list, ask them to order. But we have two and two and one-half hour dinners. You can't say to someone, 'Your table is coming right up,' when you know damn well it'll be an hour and one-half. I won't do that to my customers."

Deposits. Generally, deposits are

taken only for large parties and for special occasions, such as holidays. Signature dinners or special weekends present other opportunities. In some popular tourist spots, reservation deposits are required for all parties, but some establishments avoid this practice because they are afraid deposits will hurt return business from local patrons.

At Gordon's in Chicago, parties of five or more must put down a \$50 deposit to secure a reservation. In other establishments the deposit for a similarly sized group could be double that amount. Gordon's has found that its no-show problem was cut back con-

Handling backups

Next to no-shows, the most perplexing reservation problem for restaurants is how to handle two overlapping parties for one table: how to move one party along gracefully while keeping the other party waiting patiently.

First, an operator must make sure that reservations are not booked too tightly. If reservations tend to overlap frequently, chances are diners need more time to enjoy their meals at the restaurant. One rule of thumb is the larger the party, the longer it takes for them to eat dinner. At Jasper's, deuces generally take two and one-half hours to eat dinner, four-tops take three hours, and larger parties take three and one-half.

Even if the amount of time is generous, occasionally patrons linger longer. When this happens, many operators, armed with the confidence of knowing that these patrons are spending more time than is the norm at the restaurant, approach their guests and tell them that there are people waiting for their table. Others are less direct, inviting them to have a complimentary after-dinner drink in the lounge or bar. Still others set systems in motion some time before the next party arrives.

"We know in advance to get these people moving," says Julie White, sister of the owner of Jasper's. "If we need a table for more than four people at 9:30, we let the kitchen know one hour ahead of time. At 9:00 we drop the check on the table. At 9:30 the maitre d' or hostess will

explain that the restaurant needs the table and will ask them to move into the lounge to listen to the piano player. We are careful to do this diplomatically so it doesn't insult our customers."

At the front door, restaurateurs must ease the feelings of those patrons who are kept waiting. As Don Dianda says, "There are so many places people can go, they don't have to wait in line at your place. It's important that you welcome people to come in and dine."

What do restaurateurs do for patrons kept waiting? They often buy them a drink, send a bottle of wine with dinner, offer them a better table than promised or present a complimentary voucher for a free entree or dessert during the next visit to the restaurant.

At Common Plea, owner John Barsotti says he approaches the reservation holder. "We indicate that we had planned to have the table available at the appointed time," he says. "We apologize for the delay, explaining that sometimes we make a mistake but normally our estimates are accurate. We might then buy them a drink at the bar or tell them we will be sending a bottle of wine with dinner."

"Most people are satisfied with that," he adds. "On occasion someone gets very upset with the situation, but we are not building submarines. We are in the restaurant business. We just do the best we can."

siderably once customers sealed their agreement with cash. Of course, deposits are refunded if reservation holders call to cancel.

Jasper's in Boston also requires a \$10 per person deposit for large parties. "It has happened that for a table of 16 on a graduation night only five people showed up. If they don't tell us in advance so we can rearrange the dining room, we charge them \$10 per person for the missing members of the party. No one has objected," reports Julie White.

Deposits are commonplace for New Year's Eve and other popular holidays such as Mother's Day—varying from \$20 per person to \$100 or more per couple. Generally, patrons pay in cash or by credit cards, although vouchers must be signed in person to hold the reservations. The first year the Top of the Park implemented a deposit policy for New Year's Eve, no-shows shifted from 30 percent to 1/2 of one percent.

"Taking deposits is a nuisance on the nights that we have to do it, but it has cured the problem," says Leslee Reis. "If you are sitting on \$20 per person, you can be sure the party will call you if they are not coming. The phone call is worth \$40 or more."

Blacklisting no-show customers. "I have very few customer pet peeves, but no-shows is one of them. On a scale of one to 10, no-shows get a 10," says Reis. With such strong feelings about the no-show problem, it is no wonder that Reis took stringent measures to curtail its effects. Last year she began a highly publicized campaign of keeping track of no-shows on her personal computer.

When a customer makes a reservation and does not show up without calling to cancel, the maitre d' notes that fact in the reservation book. At week's end, the names are transferred to a list, which is alphabetized and once a month transferred into the computer. Two-time offenders are highlighted in color.

When a first-time offender calls back to make a reservation, the person gets a gentle reprimand. Reis illustrates: "We have a note on our files that you had a reservation for four people on the third of August. Unfortunately, you did not call us and you did not come. It is difficult for us to run a business that way. I will take your reservation this time as long as you agree to call should you not be able to come." Second-time offenders

are refused a reservation. Has Reis done this? "Unfortunately, yes," she says, "but I do try to do it in a gentle way. We are in no way trying to be snobby, pretentious or judgmental.

"If we all work politely to make people aware that we won't accept no-shows—but at the same time let patrons know how much we appreciate their business—it will benefit all of us," adds Reis. One of her goals would be to have the top restaurants in a city exchange no-show lists. "In Chicago, if we had one universal list and stuck to it so that if anyone who didn't show at any of our restaurants wasn't given a reservation at another one, you'd be sure the no-show problem would stop pretty fast. This is not New York. In this town—and many others—if you knocked out the five best restaurants, there wouldn't be a lot of alternatives on the best restaurant scale."

No reservations. The most drastic

Reservation pluses and minuses

Pluses

- **It's a service to the customer.**
- **It helps you plan your kitchen and dining room.**
- **It helps you compete with other restaurants.**
- **It is an opportunity to personalize service.** You can address a customer by name. People like to have their names remembered and to be called by their names. It makes them feel important.
- **It helps you develop a mailing list.** You can use a reverse telephone directory to find the patron's address.
- **It helps you keep track of service.** You can call a customer back to find out how things were, especially if you notice signs of dissatisfaction, such as a low tip on a charge slip.

Minuses

- **There are times when tables are empty when they could be full.**
- **Too much is left to chance.**
- **Reservations can be lost** if they are not jotted down in one specific place. Some operators have assigned one or two staff members, such as a maitre d' or manager, to cut back on this problem.

—Mike Parise

solution to the no-show problem is eliminating reservations altogether or reserving them for large parties. That's what John Barsotti, owner of Common Plea, did. His 90-seat, white tablecloth restaurant in Pittsburgh, PA, hasn't suffered from the switch. People normally wait one to two hours for dinner.

Other establishments don't accept reservations but will offer to give callers who say they are on their way the first available table after they arrive.

Other pointers. • Lynch, Filomenia and others have found that customers are much more considerate if they know the owner is on the premises. According to Lynch, in the eight years the restaurant has been in business there has never been a meal served without one of the two owners present. "We can recognize 70 percent of our customers," he says proudly. "People are careful to cancel because they want to come back."

Filomenia finds that she can easily persuade a lingering party to tie up their conversation; her staff—even when they use the same words—do not have the same success.

• When a reconfirmed reservation has not shown up and a walk-in patron asks to be seated, some restaurants call the reservation holders to see if they are on their way. If there is no answer and the party is very late, the table is given to the walk-in. (Be sure your patrons know how long tables will be held. Times vary from five minutes to half an hour.)

• By telling your customers your policies at the outset you can avoid misunderstandings. The Quilted Giraffe, for example, precedes all reservation requests with a lengthy taped message that includes such information as hours, largest party accepted, cost of dinner, closest parking garage and how far in advance reservations can be made.

Conclusion . . .

Operators are frustrated with the continuing no-show problem they face, but many are optimistic that increased customer awareness will help solve the problem. "It takes hard work and persistence. There is no easy answer, no easy solution to the problem," maintains Susan Wine of the Quilted Giraffe. "We have to work together," adds Leslee Reis. "We have to have patience for the public. We have to educate them. That's our job," concludes Stuart Levin. □

Restaurant ad: A small square photograph of a restaurant dining room. There are no customers in view, and there is no food on the tables. In the background, the silhouette of a broadly smiling proprietor is barely visible. "We serve the best steaks in town," is all the copy says.

Advertising experts vote thumbs down on this ad. "It belongs to a category I call 'marshmallow marketing'—a soft, ineffective way of presenting a product to consumers," notes Tom Feltenstein of the American Marketing Group, Inc. (Boca Raton, FL).

Even if a restaurant is on a limited budget, its ads are not doomed to be lackluster. With planning and ingenuity, experts agree, small restaurants can out-advertise national chains. They can react more quickly and precisely to community needs and events, and they have the flexibility to try somewhat risky but promising approaches. Moreover, the need for excelling in the advertising game has never been greater. "In metropolitan areas, especially, there is so much choice among restaurants that you can no longer count on customer loyalty. Where this is true, restaurants need to advertise more aggressively and more frequently than in the past," says Michael McDevitt of the Newspaper Advertising Bureau, Inc., San Francisco, CA.

Cleverness at no extra cost . . .

Many small restaurants are already rising to the challenge. For evidence that it is possible to advertise effectively on a modest budget, consider an ad run by a restaurant called The Atlantis in a recent issue of the magazine *San Diego*. A simple but witty line drawing shows two wine glasses chatting to one another about "The New Atlantis Brunch."

"Everything's new except the wonderful view," says one glass. The rest of the copy touches on several appealing reasons to come for brunch: free champagne, strolling violinists, a menu that changes weekly, a taco bar, omelettes made to order by a chef in the dining room. Every element supports the image the restaurant seeks

Toni Lydecker is a free-lance writer in the Washington, DC, area who writes frequently on foodservice topics for the NRA NEWS.

BIG ADVERTISING RESULTS ON A SMALL BUDGET

by Toni Lydecker

to build: that of a sophisticated restaurant that is fun to visit.

A catchy slogan can often help fix a restaurant's name and identity in the customer's mind. The restaurant Boston Sea Party (Atlanta, GA), for example, uses the slogan: "In Atlanta, the place to get great seafood is Boston." The slogan for the White Fence Farm (Denver, CO), "The best food in town is down on the farm," says it all; customers can find good country food without ever leaving town. The phrase also positions the restaurant as a comfortable, yet somewhat informal, place to eat.

Here are several other restaurants that have used advertising flair to carve out a niche in a competitive market:

• **Steak Loft, Mystic, CT** (small ad in regional magazine). With the words, "Mystic's all-American menu," this restaurant conjures up memories of the town's great whaling past. The patriotic theme continues with a line drawing of Uncle Sam licking his lips over the menu and the statement, "Red meat, white fish and blueberry pie, our menu is loaded with food America loves to eat."

• **Club Catering**, a small Texas chain (ad in state magazine). The ad piques the reader's curiosity with the headline, "50 very good reasons to call Club Catering." The reasons turn out to be the operation's 50 master chefs, prepared to cook up successful parties for company clients.

• **Davanni's, Minneapolis, MN** (series of ads in *Creative Newspaper*). After taking over a successful pizza parlor called Pontillo's, the owner wanted to make the point—humorously and obliquely—that the food was as good as ever. One ad showed actor John Wayne with the caption, "When Marion Morrison changed his name, it didn't make him a bad guy." A second one featured Boris Karloff, star of innumerable horror films: "When he changed his name from William Pratt, nobody said boo." And so on. If the celebrity analogy holds true, the reader can only conclude that the restaurant will become infinitely more noteworthy under the new name.

• **Coco's/Jojo's, a small chain in Missouri** (large newspaper ad). The ad plays up catfish, a menu item somewhat unusual to the area. "Previously thought of as only a Southern specialty," proclaims the headline. Supporting copy explains how the fish are caught fresh in Tennessee, then shipped immediately on ice to Missouri. A pleasant line drawing shows the catfish and trimmings customers get for \$6.99.

Creating new value in ads . . .

"Too many restaurant ads fail to invite action. To draw in new customers, you have to promote something," says Ron Plummer, president of Albert J. Rosenthal Group, New York City. He believes the best ads possess news value—that is, they offer a special occasion or other incentive beyond the restaurant's standard offerings.

The "hook" could be Sunday brunch, all the crabs you can eat on Monday night or a Lincoln's Birthday special. A promise to contribute 10 percent of sales to a local charity turns the promotion into a community service. To make all the preparation worthwhile, stretch a daylong holiday into a week; mom receives a special corsage or a discount on her dinner all week long, not just on Mother's Day.

Such an event is not limited to family restaurants, Plummer believes. A white-tablecloth restaurant could sponsor a wine seminar or a week of international dinners, spotlighting a different country each night.

Remember to coordinate promotion advertisements with events and patterns of life in your community. If the restaurant is in a college town, plan a special promotion during football sea-

son, not during Christmas or spring break.

Promotions should be incorporated gracefully into the restaurant's overall image rather than overshadowing it. Jose Babushka's in Grand Rapids, MI, uses a cartoon character (Jose Babushka, naturally) to link the operation's promotional offers in a series of newspaper ads. This improbable character smiles his way, in changing attire, through ads promoting a Sunday buffet, happy birthday burrito dinners, oldies night and the 15-minute lunch express: "Your lunch served in 15 minutes or FREE!"

Where to advertise . . .

Most small restaurants invest at least part of their advertising budget in newspaper ads, which reach more consumers at a lower cost than any other medium. If your major local newspaper covers a broad metropolitan area, find out whether it publishes a weekly supplement directed specifically to your community; the lower circulation of such a section will be reflected in lower ad rates. Be sure to explore advertising opportunities in small community newspapers.

Magazine ads have aesthetic advantages over newspaper ads, offering color, glossy white paper and excellent reproduction of photographs. Rates are usually higher, however, so be selective. Advertising in a city magazine, either with a freestanding ad or as part of a dining/nightlife section, is often a good bet. A regional or special-interest magazine could also be appropriate—an inn in a rural area, for example, might advertise in a country-life magazine.

Radio ads offer another excellent opportunity to reach your target audience. Stations featuring classical music, talk shows or country and rock all reach different segments of the population, so be careful to choose one that fits your market.

In a radio ad, the tone of the announcer's voice and the soundtrack (if any) help convey what is special about the restaurant, just as graphics help perform this service in print ads. Radio copy must be written for the ear so that it resembles actual speech patterns. One advantage of a radio ad, observes advertising expert Bruce Bendinger, (Creative Communications, Inc., Chicago, IL) is that "you can whisper the message" because you have the undivided attention of the listener for a minute or so.

T H E N E W A T L A N T I S **B R U N C H**

Complimentary champagne. Strolling violinists. And a fresh appeal each Sunday as our menu changes. Enjoy delicious hot entrees. Wonderfully imaginative salads. A terrific taco bar. And best of all, omelettes made to order. With the ingredients of your choice. Right before your eyes by an Atlantis chef. Every Sunday from 10 a.m. until 3 p.m. Reservations suggested, 226-3888

*"I didn't think
the Atlantis brunch
could get
any better."*

*"Everything's
new except
that wonderful
view."*



The Atlantis

2595 INGRAHAM STREET, NEXT TO SEA WORLD ON MISSION BAY



MEAT our STEAK and SEA our FOOD



pelican's wharf

AUSTIN • CORPUS CHRISTI • COLLEGE STATION
LAREDO • PORT ARANSAS • SAN ANTONIO • TEMPLE • VICTORIA

WE'VE CAPTURED THE STARS

Pops
CHAMPAGNE
BAR & GARDEN

2934 N. SHEFFIELD 472-1000 OPEN 5 PM. DAILY

You can contract with an advertising agency to supply the station with a produced spot. An easier and less expensive option is to give the script to the station and, as consultant Ron Plummer puts it, "let the DJ give it the Johnny Carson treatment." He adds, "If you're willing to let the station play around with the wording a little, you can often get a minute and a half when you're only paying for 60 seconds. If the DJ botches it, you can ask for extra plugs."

Restaurants have an edge over other small advertisers in courting the good favor of radio announcers; they can send over an apple pie or a bottle of wine with the advertising copy. Plummer recalls with satisfaction the time one client, a small Dallas restaurant, advertised on a radio talk show. Dinner was sent over, and the hosts ate it on the air, commenting on the food—and the restaurant—as they feasted.

Other advertising options . . .

Newspapers, magazines and radio shows are the most obvious advertising vehicles, but they are not the only ones. A small restaurant might also profit from one of these: low-cost ads in local entertainment guides, theatre

Essentials of successful spot ads

- 1. Benefit headline:** Lets your customers know what they stand to gain.
- 2. Dominant illustration:** Attracts the reader.
- 3. Complete copy:** Easier to understand than long list of asterisks with lots of strings attached.
- 4. Mention of any special features,** such as a new outdoor cafe or a fresh shipment of lobsters from Maine.
- 5. Prices,** especially if part of a special promotion.
- 6. Logo and complete address:** Tells customers who you are.
- 7. Hours of operation:** Helps reader plan a visit.
- 8. Telephone number:** Invites reservations.

—1984 NRA Marketing Conference

programs, shopping sheets, advertising tabloids, transit advertising, billboards and specialty ads on giveaways, such as matchbooks and pencils.

Pops, a bar and garden in Chicago, IL, is one restaurant that advertises in *Stagebill*, a monthly publication distributed during arts performances. In the July 1985 edition for the Good-

man Theatre, the strong black and white graphic complements the message. "We've captured the stars."

Normally, such options will be minor items in your total advertising program. Given the right circumstances, however, one of them could become extremely important. A gourmet restaurant in a southern city served dinner to the mayor's wife a few years back. When she came down with food poisoning, the media had a heyday and the restaurant's business plummeted. Normal advertising was suspended in favor of billboard messages near the airport. Until the furor died down, about six months later, the restaurant's business came almost exclusively from out-of-town visitors unaware of the incident.

Special-offer ads can be reproduced as flyers and distributed in low-cost ways: hand them out in the restaurant itself; ask business neighbors who are not direct competitors to distribute a stack (and offer to reciprocate); pass them out at supermarkets, sports events and other community gathering spots. Or use a doorknob hanger format and deliver the ads door to door.

A vigorous advertising program should not overlook the importance of internal advertising. For effectiveness, word of mouth beats paid advertising, so give your current clientele something to talk about to their friends. Back up external advertising for a promotion with table tents, posters and menu clip-ons in the restaurant. Outfit staff with buttons or ribbons advertising the promotion, and train them to sell it.

When the ads go stale . . .

Spot a good restaurant ad and—generally speaking—you've found a restaurant with a strong identity, good food and enjoyable surroundings. When the main difference between last year's spring ad and this year's is the date, the restaurant itself may not be as interesting and vibrant as it could be.

If your own advertising seems dull, take a look at the restaurant itself. Try testing new items for the menu, rearranging the dining room or planning a weekend retreat for staff to relax together and discuss the restaurant's problems and future. Chances are that if you are excited about the restaurant, your advertising will convince customers to feel that way, too.

How to start a solid advertising program

1. Know your audience. As the first step in creating a six to 12-month advertising and marketing plan, write detailed profiles of your current and prospective customers. Include information such as age, sex, education level, lifestyle and address. Research shows that 75 or 80 percent of restaurant customers come from three miles away (or 10 minutes by car); if your clientele fits this pattern, your program should concentrate on neighborhood advertising.

2. Identify the restaurant's strong points. Try to describe your restaurant's "personality" and position in the market. Does it have outstanding food, ambience, location, service? Be careful not to confuse your own attitudes with those of customers. Your ambition may be to serve the best barbecue in town, but if customers actually come in for your hamburgers, recognize this fact in your advertising plans.

3. Determine advertising objectives and means. Objectives could be to gain favorable media attention throughout the community, attract new customers, change the makeup of the clientele, increase overall profits. Dream up some general advertising approaches that might reach these objectives (or pay an advertising agency to do the creative work). Consider the pros and cons of various media for your purposes.

4. Set a budget. Think of advertising as an investment in the restaurant, not an expenditure to be made grudgingly. Many restaurants set aside a certain percentage of gross sales (typically, one to five percent) for the advertising budget. Although this policy simplifies bookkeeping and decision making, it may run counter to the restaurant's best interests. A business slump often calls for an increase in the advertising budget—not a cut. The budget for a particular time period must be considered in di-

rect relation to advertising objectives.

5. Make specific plans. Talk with media representatives about the demographics of their audience, advertising rates, discount plans and services, such as graphics and copywriting. Build a media file of rate cards and other literature. Then, write detailed advertising plans, making sure to include expected results. Be as specific as possible. Often the flaws of an idea will become clear when it is recorded on paper, before any money has been invested in carrying it out. Pay careful attention to advertising frequency. In a market where customer preferences change quickly, it makes better sense to run small ads regularly than to place large splashy ads at greater intervals. Timing is important as well; Friday and Saturday are good days to advertise because that's when many occasional patrons decide where to dine.

6. Execute the plan. Whether you are working with an ad agency or directly with the media, supervise the design and production of ads to make sure they are projecting the right image for your restaurant. Pay particular attention to the headline or slogan. Readership of this material is often five times higher than for the body copy. Don't insist on cramming every inch of space with type or art; media-wise customers appreciate the clean look of an ad with ample white space.

7. Learn from experience. Once a particular advertising campaign is underway, continue to record notes about its progress, including the final outcome. Keep two files of clippings: one of tear sheets and production information about your own ads and one of other ads you admire. This information can be invaluable in planning future advertising campaigns.

TO YOUR HEALTH

Naturally occurring food toxins

What do potatoes, peanuts, corn, wheat, rice and mushrooms have in common? They are all susceptible to food toxins. Fortunately, the potential harm of toxic substances in plants is often minimized by the timing of the harvest, selection of edible parts or processing and cooking. Also humans generally can tolerate small amounts of natural toxins; the hazards are usually more threatening with increased exposure. There are exceptions, though, as with mushrooms, when toxins are so powerful that even a small portion can be lethal.

The majority of food toxicities are caused by bacteria. Yet, it is important to be familiar with the naturally occurring toxins present in plants and seafood. Their deleterious effects range from mild to severe. Some promote high blood pressure or goiter while others interfere with the central nervous system or are hallucinogenic.

Solanin—Solanin is a toxic substance concentrated in the skins and shoots of potatoes. Storage of potatoes enhances solanin development, especially when the tubers are exposed to light. Any green spots, representing chlorophyll buildup, accumulate solanin. Cooking doesn't inactivate this toxic substance, and large doses of solanin result in abdominal pain, jaundice, vomiting, diarrhea and interference with nerve impulses.

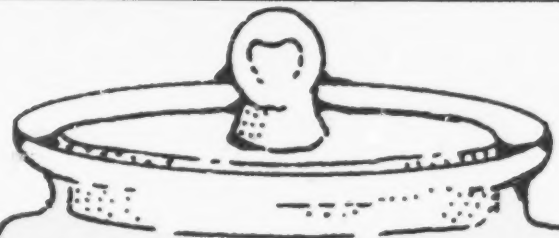
Federal regulations prohibit marketing potatoes with a solanin content greater than 200 parts per

million (ppm). On average, four and one half pounds of whole potatoes (containing 100 ppm of solanin) must be consumed before symptoms become evident. Yet, a smaller amount of skins-only can induce symptoms as solanin concentrates in this part of the potato.

Aflatoxin—This hazardous mold most commonly contaminates peanuts and corn, but wheat and rice are also susceptible to aflatoxin development. Warm temperatures coupled with high humidity cause aflatoxin to flourish on stored nuts and grains. Although still somewhat controversial, there is strong evidence that implicates aflatoxin as a potent liver carcinogen. As with solanin, cooking will not eliminate aflatoxin. Peanuts with an aflatoxin content of more than 20 parts per billion are barred from interstate commerce. Although not always apparent, moldy, shriveled or discolored nuts may be contaminated with aflatoxin.

Mushrooms—Luckily, only a few species of mushrooms are poisonous. However, the problem is that these offenders are not easily distinguished from their edible counterparts. Abdominal cramps, nausea, vomiting and diarrhea are symptoms of wild mushroom poisoning, and mortality rates of victims range from 0 to 50 percent, depending on the species eaten. Since there is no foolproof means of determining mushroom safety, it is best to avoid unknown varieties.

Coumarin—Because it



Storage pointers

Storing fresh potatoes . . .

"Potatoes last longest at 45°F to 50°F. In a cool environment, such as a cellar, mature potatoes can last for as long as two months; new potatoes for one to two weeks. At normal room temperature, potatoes begin to sprout and wither quickly. They will stay fresh a week to 10 days at the most. New potatoes can be counted on for only four to seven days.

"The refrigerator is not the best answer. Chilling causes the starch in a potato to convert to sugar, changing its flavor. You can stretch a potato's storage life in the refrigerator, then leave it out at room temperature for a day or two before cooking—the sugar will reconvert to starch. . . .

"Keep potatoes in a basket, burlap bag, or even a paper bag—anything that allows air circulation. It is important to store the potatoes in the dark since every little bit of light contributes to greening. A buildup of moisture encourages decay, so don't wash potatoes until you're ready to prepare them. . . .

"Dry onions and potatoes store best under the same conditions, but don't store

them side by side. Each exudes a different gas that shortens the storage life of the other.

"Leftover cooked potatoes can be refrigerated for three to five days. Whole, unpeeled potatoes retain many more nutrients than pared ones."

Storing nuts and seeds . . .

"Without protection against moisture, high temperatures and air, nuts and seeds become rummy and their natural oils turn rancid.

"Shelled nuts will stale in a matter of days if left uncovered at room temperature. Nuts in the shell stay fresh longer but even they need careful handling to be stored successfully for more than about four weeks.

"Nuts and seeds, in whatever form, should always be stored in tightly covered containers or in airtight plastic bags. The refrigerator is often the best place for them. (It is possible to freeze nuts and seeds, but they tend to lose flavor and crispness after thawing, so buy only what you can use within a reasonable time.)"

—From Janet Barley's new book *Keeping Food Fresh*, the Dial Press, 1985

smells like real vanilla, coumarin extract, also known as tonka bean extract, has been sold to Americans touring Mexico as reasonably priced vanilla. It is no bargain though: coumarin is prohibited in the United States. In 1954, the Food and Drug Administration (FDA) determined it a "poisonous and deleterious substance" based on evidence that coumarin caused extensive liver damage in rats.

Herbal teas—There are no long-term clinical studies

evaluating herbal teas, but FDA cautions that lack of evidence does not prove safety. Brewed herbal teas produce a number of compounds, such as acids, toxins and alkaloids, that can accumulate in body tissues to significant levels. Although the long-term effects of these accumulations are unknown, several short-term problems are apparent. For example, when nutmeg and jimson weed are brewed with tea, the combination can be fatal.

Tetrodotoxin—One of the

most potent natural toxins, tetrodotoxin, is found in the liver, ovaries and roe of puffer fish, blow fish, globe fish and porcupine fish. Although not commonly consumed in this country, the Japanese consider fugu, dishes prepared with the flesh and testes of these fish, a delicacy. In Japan, fugu can be commercially prepared only by licensed chefs who are trained in evisceration techniques, identification of toxic species and the seasonal variations of toxicity. In spite of this regulation, Japan reports several hundred cases of intoxication annually; about half of them are fatal.

Histamine toxicity—Fish is generally safe to consume, but under adverse storage conditions some species develop toxic levels of histamine, a compound related to the common protein component histidine. Temperatures between 68°F and 78°F are ideal for bacterial histamine production in tuna, mackerel, albacore, bonito and sardines. Histamine is inactivated by heating at temperatures over 140°F. The poisonous fish has a sharp, peppery taste and induces symptoms within three hours of consumption. Episodes of histamine poisoning are acute, lasting eight to 12 hours. They are characterized by headache, dizziness, throbbing of the neck vessels and an itchy rash.

Paralytic shellfish poisoning—Toxic plankton occasionally develop in the ocean as a result of disturbances in weather patterns. Not only does toxic plankton cause the oceanic plankton bloom familiarly known as red tide, but plankton also is responsible for paralytic shellfish poisoning. Otherwise safe mollusks (mussels, clams, scallops and oysters) become a public health threat after

feasting on the infected plankton. When infected mollusks are eaten, the heat-stable toxic substances are transferred to humans, and within 30 minutes to six hours they affect sensory perceptions. The initial symptoms are sensations of tingling, numbness and burning in the mouth that spread to the head, fingers and toes. Eventually coordination is disturbed, producing intoxicated-like movement. Paralytic shellfish poisoning is fatal in one to 10 percent of the cases. Mollusks are the most common carriers of toxic plankton, but crabs have also been traced to the etiology of paralytic shellfish poisoning.

Purchasing pointers . . .

Though only a small percent of the population will ever be affected by naturally occurring food toxins, these pointers are important precautions for anyone in commercial foodservice.

- Purchase food only from reputable wholesalers who safely handle and store food.
- As a few of the toxins develop with prolonged or improper storage, food freshness should never be questionable.
- Discard moldy, shriveled and discolored nuts as well as withered potatoes with multiple sprouts.
- Avoid using potato sprouts as an ingredient, and pare off any green spots on potato skins—both are concentrated sources of solanin.
- Never use unfamiliar wild mushrooms or those of questionable safety.
- Be aware of coastal locations with red tide. Local public health officials prohibit catches from these areas when the plankton blooms become health threats.

—Claire Regan, R.D.

Storage timetable for nuts

Nuts	Months in pantry	Time in refrigerator	Months in freezer
Almonds			
in the shell	12 months	12 months	12
shelled	*	9 months	12
Cashews			
shelled	*	6 months	9
Chestnuts			
in the shell	*	4-6 months	—
shelled	*	4-5 days	9-12
Macadamia nuts			
shelled	*	6 months	9-12
Peanuts			
raw in the shell	2 months	6 months	9-12
roasted in the shell	1 month	6 months	9-12
shelled	*	3 months	6
Pecans			
in the shell	2-3 months	6 months	12
shelled	*	6 months	12
Pinenuts			
shelled	*	1 month	6
Pistachios			
in the shell and shelled	*	3 months	12
Pumpkin seeds	2-3 months	12 months	12
Sunflower seeds	2-3 months	12 months	12
Walnuts			
in the shell	2-3 months	12 months	12
shelled	*	12 months	12

—From Janet Barley's new book *Keeping Food Fresh, The Dial Press, 1985.*

*does not keep

THE BOARD ROOM

NRA-PAC names trustees; sets year-end fundraising goal of \$185,000

As part of his responsibilities as newly appointed chairman of the National Restaurant Association Political Action Committee, W.W. "Biff" Naylor (Naylor Brothers Restaurants, Inc., Los Angeles, CA) has launched a major fund-raising effort to raise \$185,000 for NRA-PAC by December 31, 1985.

Commenting on NRA's most recent effort to promote the concerns of the foodservice industry, Naylor said, "Our PAC's fund-raising effort offers each person in foodservice an opportunity to make a difference. Each contribution, large or small, to NRA-PAC increases the strength of our voice in Congress. A personal contribution should be something that's done each Janu-



W.W. "Biff" Naylor

ary. My goal is to get restaurateurs to make this their first order of business for the sake of their business."

Proceeds from the new campaign will advance the PAC's goal to promote and preserve the free enterprise system in the United States by supporting candidates and legislators who work to further the interests of the foodservice industry.

Twelve industry representatives, 11 of whom are NRA board members, have been named regional trustees and charged with the task of raising \$10,000 in each of their respective regions. In pursuit of this goal, each trustee may name members to a special advisory committee of the NRA-PAC. The advisory committee will serve as the backbone of a grassroots fund-raising effort in each region, initiating contact with NRA members in cities across the country, soliciting their support of PAC efforts and reporting back to their regional trustees. Advisory committee members will come to an annual meeting in Chicago each May and be invited to attend three PAC meetings yearly.

NRA members interested

in aiding this important industry campaign should contact the trustee assigned to their region or Tom Kelley, manager of political affairs at NRA headquarters in Washington.

The 12 newly appointed NRA-PAC trustees and their respective regions are

- *New England (CT, ME, MA, NH, VT, RI)*
John Cauley, Jr.
Friendly Ice Cream Corp.
1855 Boston Rd.
Wilbraham, MA 01095
(413) 543-2400
- *Northeast (NY, PA, NJ, DE)*
Warren Rosenthal
Jerrico Inc.
P.O. Box 11988
Lexington, KY 40511
(606) 268-5211
- *Southern (KY, TN, WV, VA, MD, DC)*
Jack Laughery
Hardee's Food Systems, Inc.
P.O. Box 1619
Rocky Mount, NC 27801
(919) 977-2000
- *Southeast (NC, SC, GA, FL)*
James Maynard
Golden Corral Corp.
P.O. Box 29502
Raleigh, NC 27626
(919) 781-9310
- *Midwest (IA, IL, IN, OH)*
Thomas Russo
Ponderosa, Inc.
P.O. Box 578
Dayton, OH 45401
(513) 890-6400
- *Upper Midwest (MN, WI, MI)*
Richard Cregar
Cregar Enterprises
3000 Interlaken
Orchard Lake, MI 48033
(313) 681-4561
- *Gulf Coast (TX, LA, MS, AL)*
Ralph Brennan
Mt. B.'s Inc.
201 Royal St.

New Orleans, LA 70130
(504) 523-2078

- *Central (KS, MO, OK, AR)*

Robert Clift
(PAC vice-chairman)
Banner Food Enterprises
P.O. Box 23739
Oklahoma City, OK 73123
(405) 947-7307

- *Southwest (CO, NM, AZ, NV, SD)*

Joseph Fassler
Greyhound Food Management, Inc.
Greyhound Tower, #3103
Phoenix, AZ 85077
(602) 248-2033

- *Rocky Mountain (MT, ID, WY, UT, ND, NE)*

Richard Marriott
(PAC Secretary)
Marriott Corp.
Marriott Drive
Washington, DC 20058
(301) 897-1420

- *Western (HI, OR, WA, AK)*

Leon W. "Pete" Harman
Harman Management Corp.
199 First St.
Los Altos, CA 94022
(415) 941-5681

- *Pacific (CA)*

W.W. "Biff" Naylor
(PAC chairman)
Naylor Brothers Restaurants, Inc.
1434 Westwood Blvd.
Los Angeles, CA 90024
(213) 475-0942

PAC Advisory Committee:

Roger Anderson
(PAC co-chairman)
Robbie's Restaurant Inc.
Great Falls, MT 59405
(406) 761-7160

Florence Jaramillo
(PAC co-chairman)
Restaurante Rancho de Chimayo
P.O. Box 11
Chimayo, NM 87522
(505) 351-4444

—Dorothy Dee

Taxes and Social Security Payments

If you have substantial income in addition to your Social Security benefits, some of your benefits may be taxable. Contact the IRS to obtain free IRS Publication 915 for details.

IT'S YOUR SOCIAL SECURITY CHECK. YOUR PENSION CHECK. YOUR DIVIDEND CHECK. AND YOUR FREE COPY OF IRS PUBLICATION 915.



A PUBLIC SERVICE MESSAGE FROM
THE INTERNAL REVENUE SERVICE

"Strategic planning" is a concept that some organizations swear by and others swear at. Some think they have it when they don't, and some have it, but it is not formalized or communicated because it resides in the head of the top person in the organization.

One starts the process of strategic planning by accepting the principle that it is possible to plan the future by looking forward and taking action to reach a predetermined, realistic, acceptable objective, rather than being forced to react to the buffeting caused by the vagaries of competition, interest rates, demographic changes, lifestyle trends, inflation or organizational strengths and weaknesses and many other factors.

It is important to note two other basic cornerstones of strategic planning. First, strategic planning is a constantly evolving and revolving process of goal setting and measurement, not a one-time static "product" to be developed quickly and then tucked away until the next time someone asks, "What's the plan?" Second, the only irrefutable thing you can say about a strategic plan is that results will *never* materialize in absolute congruency with the plan.

I've "done my time" in strategic planning endeavors, and I thought I'd mention a few things for your consideration. If you embrace the following, I'd like to talk to you about purchasing a bridge in a major East Coast city.

1. Recognize that there is a difference between forecasting, long-range planning, strategic planning, crystal ball gazing and shooting from the hip (or lip). Forecasting is predicting, long-range planning is conjecturing, strategic planning is asserting, crystal ball gazing is hallucinating,

Fisher's Law #65

Planning to plan

and shooting from the hip (or lip) is mortifying.

2. Realize that the real purpose of strategic planning is to build your own empire so that no one will be able to do anything without checking with you first.

3. Start by developing a mission statement that is your corporate "raison d'être," but be sure it is short enough to fit on a bumper sticker. (You'll want to give bumper stickers to your employees and customers.)

4. Designate a strategic planning committee of five people and schedule meetings so that four of the five cannot make the meetings.

5. When you plan, plan frequently, so people will forget what you planned in two or three earlier versions. Also, use numbers or dates, but never use both at the same time. Numbers without a date could always come true at some point in time, and a date without a number doesn't tie you to anything specific.

6. Rely only on statistics, financial data and quantitative analyses. Never alter these data on the basis of experience, judgment or "feel of the market."

7. Provide assistance to the chief strategic planner by employing a person fresh out of school who is up to date on all the latest planning theories and methods and who is unspoiled by the scars of experience,

8. Assign ultimate responsibility for the plan to someone who has time to do it. A possible choice is the receptionist. The receptionist is not always answering calls, and people don't come in every minute. It's even better if the receptionist is a temporary, so when the plan is developed it is not biased by the history and culture of the company.

9. Never, never use an outside resource, such as a

consultant or facilitator. Such people just muddle up everything, take twice as long to accomplish something and charge exorbitant fees. If you must use an outside resource, go to a business school class and become their project.

10. Never finish the plan. After all, time is limitless, and the variables are constantly changing. You really want to deal with certainty, and you need to constantly update the plan with the latest factual information.

11. Never communicate the total plan to others in your organization. Since it is unfinished anyway, there is no sense communicating it. Besides, if you did tell others about it, they would think that's all they had to do and may goof off.

Fisher's 65th Law: If you follow these rules, you will be strategizing strategy strategically for planning the plan, constantly.

In memory

J. Willard Marriott dies at 84

J. Willard Marriott, founder of the Marriott Corporation and past president of the NRA, died on August 13, 1985, near his summer home in New Hampshire at the age of 84.

Marriott began his career in the foodservice industry in 1927, when he opened a nine-stool root beer stand in Washington, DC. Today, that original venture has grown into an international corporation that includes 1,400 restaurants, 143 hotels and resorts and catering services to 150 airlines worldwide.

Marriott served as president of the NRA in 1948.

During his term, he concentrated heavily on the industry's primary concern at the time: food and payroll costs. He led industrywide plans for a national promotion called "Eating Out" and launched a special designation for 1948 as Hospitality Year.

In 1982, Marriott was honored at the Multi-Unit Foodservice Operators convention (MUFOS) as an official "Pioneer"—an accurate reflection of the respect he commanded throughout the hospitality industry. Said William P. Fisher, executive vice president of NRA, "The entire industry has suffered a loss with the passing of J. Willard Marriott. He embodied the spirit of service to those who eat and rest away from home."

Forecast to the year 2000

Per person incomes to climb

Eating place sales growth reflects increases in personal income. When personal income rises or falls, eating place sales follow suit, although the amount of increase in sales may be higher or lower than the average increase in income. For example, between 1973 and 1983, per capita personal income (in 1972 dollars) advanced 1.4 percent annually. During the same period, real eating place sales also rose—up 3.8 percent a year. This article takes a look at income projections, to the year 2000 so operators can forecast trends in eating place sales.

Americans should be earning more money during the remainder of this century, thanks to a growing economy, fueled by expansion in service, high tech and defense-related industries.

According to data from the Bureau of Economic Analysis' study "Regional and State Projections of Income, Employment and Population to the Year 2000," by 1990 per capita income should advance a significant 17.6 percent to \$6,434 per person (in 1972 dollars) from \$5,470 per person in 1983. On an annual basis, this represents an average increase of 2.3 percent. By the turn of the century, per capita income is expected to reach \$7,369 per person—up another 14.5 percent.

Regional highlights . . .

- Between 1983 and 1990, the greatest increase in per person income is expected in the East South Central region. Incomes should climb 2.8 percent

annually to \$5,202 per person in 1990. Other regions expected to record above average gains in per capita income are East North Central (up 2.6 percent a year), West North Central (up 2.5 percent a year), West South Central (up 2.5 percent a year) and Mountain (up 2.4 percent a year).

- New Englanders will have the highest per capita income in 1990—\$7,108 per person (in 1972 dollars) compared to \$6,099 per person in 1983. Residents of the Pacific region should place second with an annual income of \$6,978 per person, and those living in the Middle Atlantic states are projected to place third with an income of \$6,898 per person.

- Between 1990 and 2000, per capita income (in 1972 dollars) will continue to rise, but at a somewhat slower pace. The East South Central states are expected to post the greatest yearly increase—up 1.7 percent, followed by the Mountain (up 1.4 percent),

Per capita personal income by region*		
1983-1990 / 1990-2000		
Region	Avg. annual percent change	
	1983-1990	1990-2000
New England	2.2%	1.3%
Middle Atlantic	2.1	1.3
East North Central	2.6	1.4
West North Central	2.5	1.4
South Atlantic	2.3	1.4
East South Central	2.8	1.7
West South Central	2.5	1.3
Mountain	2.4	1.4
Pacific	2.0	1.3
Total U.S.	2.3%	1.4%

*in 1972 dollars
Source: "Regional and State Projections of Income, Employment and Population to the Year 2000," Survey of Current Business, May 1985, U.S. Department of Commerce, Bureau of Economic Analysis.

West North Central (up 1.4 percent), South Atlantic (up 1.4 percent) and East North Central (up 1.4 percent) regions.

- By the end of the century, per capita income will reach \$8,073 per person in New England, maintaining its lead over the other regions. The Pacific region will record the second highest per capita income—\$7,906, followed by the Middle Atlantic (\$7,847 per person) and the East North Central (\$7,402 per person) regions.

State highlights . . .

- Twenty-nine states will boast above average yearly gains in income per person (in 1972 dollars) between 1983 and 1990. Iowa is projected to lead the nation with a substantial 3.0 percent yearly increase. Other top states include: Indiana (up 2.9 percent), Vermont (up 2.9 percent), Arkansas (up 2.8 percent) and Mississippi (up 2.8 percent).

- Although other states will experience greater year-

ly gains, in 1990, Alaska should be on top with per capita dollars of \$9,025 per person (in 1972 dollars).

The District of Columbia is projected to have the next highest income per person at \$8,453, followed by Connecticut (\$8,146 per person), New Jersey (\$7,663 per person), Massachusetts (\$7,236 per person) and Maryland (\$7,147 per person).

- Between 1990 and 2000 per capita income is expected to climb an impressive 1.9 percent annually in Mississippi, outdistancing the other states. Alabama and Kentucky are close seconds; each is expected to post a significant 1.7 percent gain during this 10-year period.

- By 2000, per capita income will total \$9,958 per person in Alaska, more than in any other state. The District of Columbia and Connecticut will also record large per capita incomes, \$9,467 per person and \$9,134 per person, respectively. —Susan Adelman

Per capita personal income
by state*
1983-2000

State	Per capita income 1983	Per capita income 1990	Per capita income 2000	Average annual percent change 1983-1990	Average annual percent change 1990-2000
Alabama	\$4,318	\$5,192	\$6,170	2.7%	1.7%
Alaska	8,023	9,025	9,958	1.7	1.0
Arizona	4,976	5,971	6,891	2.6	1.4
Arkansas	4,189	5,097	5,982	2.8	1.6
California	6,203	7,112	8,035	2.0	1.2
Connecticut	6,993	8,146	9,134	2.2	1.2
Colorado	5,966	6,918	7,829	2.1	1.2
Delaware	5,905	6,830	7,709	2.1	1.2
District of Columbia	7,339	8,453	9,467	2.0	1.1
Florida	5,396	6,252	7,120	2.1	1.3
Georgia	4,864	5,761	6,719	2.4	1.6
Hawaii	5,701	6,517	7,461	1.9	1.4
Idaho	4,473	5,365	6,290	2.6	1.6
Illinois	5,812	6,836	7,763	2.3	1.3
Indiana	4,955	6,069	7,042	2.9	1.5
Iowa	5,009	6,151	7,132	3.0	1.5
Kansas	5,664	6,785	7,750	2.6	1.3
Kentucky	4,400	5,333	6,285	2.8	1.7
Louisiana	4,802	5,718	6,719	2.5	1.6
Maine	4,619	5,341	6,187	2.1	1.5
Maryland	6,116	7,147	8,112	2.3	1.3
Massachusetts	6,212	7,236	8,207	2.2	1.3
Michigan	5,384	6,503	7,419	2.7	1.3
Minnesota	5,572	6,609	7,509	2.5	1.3
Mississippi	3,827	4,649	5,601	2.8	1.9
Missouri	5,171	6,078	6,984	2.3	1.4
Montana	4,665	5,599	6,506	2.6	1.5
Nebraska	5,236	6,257	7,244	2.6	1.5
Nevada	5,787	6,787	7,652	2.3	1.2
New Hampshire	5,674	6,498	7,413	2.0	1.3
New Jersey	6,558	7,663	8,662	2.2	1.2
New Mexico	4,522	5,344	6,217	2.4	1.5
New York	6,094	6,979	7,854	2.0	1.2
North Carolina	4,594	5,490	6,373	2.6	1.5
North Dakota	5,456	6,359	7,288	2.2	1.4
Ohio	5,256	6,315	7,267	2.7	1.4
Oklahoma	5,126	6,120	7,121	2.6	1.5
Oregon	5,048	6,019	7,046	2.5	1.6
Pennsylvania	5,372	6,271	7,256	2.2	1.5
Rhode Island	5,472	6,371	7,305	2.2	1.4
South Carolina	4,302	5,155	6,054	2.6	1.6
South Dakota	4,617	5,495	6,435	2.5	1.6
Tennessee	4,463	5,416	6,305	2.8	1.5
Texas	5,452	6,435	7,356	2.4	1.3
Utah	4,217	5,026	5,899	2.5	1.6
Vermont	4,664	5,679	6,606	2.9	1.5
Virginia	5,668	6,573	7,515	2.1	1.3
Washington	5,692	6,624	7,492	2.2	1.2
West Virginia	4,295	5,127	5,996	2.6	1.6
Wisconsin	5,297	6,275	7,232	2.4	1.4
Wyoming	5,562	6,752	7,928	2.8	1.6
Total U.S.	\$5,470	\$6,434	\$7,369	2.3%	1.4%

*in 1972 dollars

Source: "Regional and State Projections of Income, Employment and Population to the Year 2000," Survey of Current Business, May 1985, U.S. Department of Commerce, Bureau of Economic Analysis.

Asian cuisine: good fortune for restaurateurs

This article takes a closer look at how Asian restaurants fare with consumers. Although Asian cuisine embraces foods from many countries in the Far East, this article singles out two of the more popular varieties—Chinese and Japanese food.

Restaurateurs do not need a fortune cookie to tell them that Asian food is fast becoming a consumer favorite. According to *RE-COUNT* data, in 1984, the number of Asian restaurants increased nine percent over 1983 while all types of restaurants increased three percent. During that same period, traffic at Asian establishments jumped 16 percent, more than twice the 7.8 percent traffic increase for all restaurants.

This interest in Asian cuisine is not a recent phenomenon. Sales at Chinese restaurants skyrocketed 109 percent between 1977 and 1984, according to the *CREST Family Report*; whereas sales for all restaurants in this same period increased a lower 80 percent. Much of the sales increase at Chinese restaurants is attributed to increased customer traffic, which jumped 55 percent over the eight-year span, and the greater availability of places specializing in Chinese cuisine.

Part of ethnic food trend . . .

Interest in Asian cuisine is part of the growing consumer enthusiasm for all types of ethnic food. More than a third of the respondents in NRA's *Consumer Preferences for Ethnic Foods in Restaurants* study said they are eating more

ethnic food in restaurants than they did three years ago. In addition, the study revealed that nine out of 10 adults have tried Chinese food in a restaurant at least once, and 83 percent have done so more than once. While Japanese cuisine is not quite as popular, a substantial one-half of all adults have tried it at least once. In terms of popularity, Chinese food ranks second behind Italian food as the most-liked ethnic food in restaurants, while Japanese foods rank seventh out of 15 ethnic foods surveyed.

Will this trend continue? Almost definitely. Nearly half the respondents in NRA's ethnic food study strongly agreed that they would try more ethnic foods if dishes were available at restaurants. A similar proportion indicated a strong interest in trying items they have never eaten before when they eat out. Therefore, Japanese foods, such as sushi (raw fish tidbits combined with vinegared rice) and sashimi (raw fish tidbits served with rice on the side), which are relatively new to the United States, as well as more familiar Chinese selections, such as sweet and sour dishes and chow mein, are expected to remain popular with consumers. In addition, NRA's ethnic food study revealed that a

number of consumers eat both Chinese and Japanese food frequently—at least once a month or more often. Almost one-third of the consumers surveyed eat Chinese food at least once a month, and 13 percent reported that they order Japanese food in restaurants one or more times a month.

Also, according to NRA's *Consumer Preferences for New Restaurant Concepts* study, a number of adults who had not eaten either Oriental fast food or sushi and sashimi in the first quarter of 1985 indicated that they were very likely to order these foods in the future. One out of five consumers who had not eaten Oriental fast food recently (during the first quarter of 1985) agreed that they were very likely to purchase it in the future, and eight percent of those who had not eaten sushi and sashimi recently indicated a high future probability of ordering these items.

Who dines at Asian restaurants? . . .

Although many Americans enjoy eating Chinese and Japanese foods, certain groups are inclined to do so more frequently than others, according to NRA's *Consumer Preferences for Ethnic Foods in Restaurants*.

For example, men eat both Chinese and Japanese food more frequently than women. More than one-third (35 percent) of the men surveyed ordered Chinese items at restaurants at least once a month compared with a lower 28 percent of women. Fewer men reported having Japanese food at least once a month—15.2 percent. But this is still higher than the proportion of women eating Japanese food—11.4 percent. Also, men outnumber women in eating other

Asian foods—11.3 percent versus 7.9 percent.

Young adults also eat Asian cuisine in restaurants more often than older consumers, particularly Japanese food. Nearly one-fourth of the respondents between the ages of 18 and 24 reported they order Japanese cuisine at least once a month. On the other hand, less than one out of 10 consumers 55 years old and older made a similar claim.

Patrons who have a preference for Chinese food when dining out also tend to be younger, but more consumers between the ages of 25 and 34 order Chinese cuisine at restaurants at least once a month than do 18 to 24-year-olds: 36 percent versus 30 percent. Other Asian foods, in addition to Chinese and Japanese, are also popular with younger consumers. One out of four consumers between the ages of 18 and 24 said they eat other Asian foods at least once a month, compared to a lower 6.3 percent of consumers 55 years old and older.

Smaller households—one or two persons—are devoted fans of Asian cuisine. One out of five singles said they order Chinese food at restaurants at least once a month, and more than one-third of two-person households reported the same. In comparison, less than three out of 10 households with three or more members eat Chinese food at least once a month. On the other hand, Japanese cuisine appears to be equally popular with singles, two-person and three-person households. Fifteen percent of the respondents from each of these household groups indicated that they order Japanese cuisine at restaurants at least once a month. A lower 11 percent of consumers from households with four or more members choose Jap-

Proportion of consumers who order Asian food at restaurants one or more times a month

	Chinese	Japanese	Other Asian
Sex			
Men	34.6%	15.2%	11.3%
Women	28.5	11.4	7.9
Age			
18 to 24	30.4	22.7	23.8
25 to 34	36.1	15.3	4.9
35 to 54	28.1	9.6	7.7
55 and over	30.4	8.7	6.3
Household size			
One	42.5	15.0	11.8
Two	35.2	14.7	14.6
Three	24.4	14.9	—
Four or more	28.4	11.0	9.3
Annual income			
Under \$15,000	29.8	14.3	20.0
\$15,000 to \$24,999	27.0	17.1	18.2
\$25,000 to \$34,999	30.3	14.1	—
\$35,000 and over	35.8	9.4	7.5
Monthly visits to all restaurants			
One to two times	13.5	2.9	—
Three to five times	25.3	10.6	10.0
Six to 10 times	43.6	18.8	4.3
11 or more times	52.7	23.0	17.9

Source: Consumer Preferences for Ethnic Foods in Restaurants, NRA, March 1984.

anese food once a month or more often.

Households with two members eat other types of Asian food more often than do singles. Fifteen percent of these people reported they eat other Asian foods at least once a month as opposed to 11 percent of the singles. In comparison, less than one out of 10 households with four or more members have other Asian foods one or more times a month.

Asian cuisine is equally popular across various

household income levels. Thirty percent of individuals from households with annual incomes under \$15,000 reported ordering Chinese cuisine at a restaurant at least once a month, and the proportion of individuals from households with incomes between \$15,000 and \$35,000 was similar. However, a greater proportion of consumers from households with incomes over \$35,000 a year reported having Chinese food at least once a month—36 percent.

The opposite appears to be true for Japanese restaurants. Only nine percent of consumers from upper income households reported ordering a Japanese dish at a restaurant once a month or more often, compared with 17 percent of individuals from households with annual incomes between \$15,000 and \$25,000. Fourteen percent of those from households with incomes under \$15,000 a year and a similar proportion from households with annual incomes between \$25,000 and

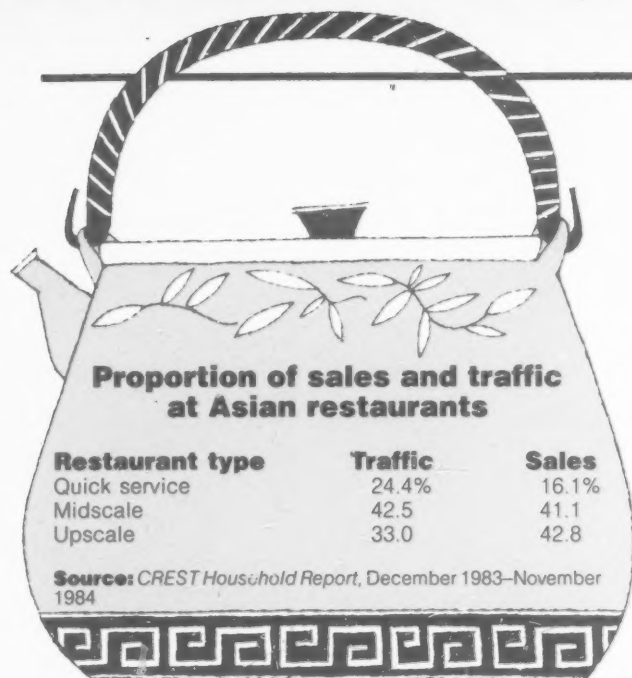
\$35,000 reported eating at Japanese restaurants at least once a month.

Moderate income households also like to order other Asian foods when they eat out more often than do upper income households. Two out of 10 individuals from households with incomes of \$25,000 or less reported eating an Asian dish (other than Japanese or Chinese) at least once a month. On the other hand, the proportion of individuals from households with incomes in excess of \$35,000 is small—7.5 percent.

For those who dine out frequently, Asian cuisine appears to be a favorite alternative. More than half (53 percent) of the consumers who stated they eat out 11 or more times a month reported ordering Chinese cuisine at a restaurant at least once a month. 23 percent indicated they favor Japanese cuisine, and one out of five reported having some other type of Asian food. In comparison, those who dine out infrequently (one to two times per month) are less likely to opt for Chinese or Japanese food. Only 13 percent of infrequent restaurant patrons reported eating Chinese food at a restaurant once a month or more often, and less than one out of 10 indicated the same for Japanese cuisine.

Which Asian restaurants do best? . . .

Midscale and upscale Asian restaurants capture the lion's share of restaurant traffic and sales. In 1984, midscale Asian restaurants accounted for a significant 42.5 percent of overall Asian restaurant traffic and 41 percent of total sales. Upscale operations also captured a large share of traffic and sales. The upscale segment represented one-third of all restaurant



customer traffic and 43 percent of overall sales.

Quick service establishments comprised a smaller 24 percent of Asian restaurant traffic and only 16 percent of total sales. However, this segment is beginning to grow with the introduction of several fast food Chinese restaurants.

Asian food is a popular choice for either lunch or dinner, although the evening meal is, by far, the more popular. Nearly two-thirds of all Asian restaurant traffic occurs at dinner—twice the traffic at lunch.

Take out meals are popular alternative . . .

Consumers enjoy the convenience of take out meals, and exercise this option often when ordering Asian food. In fact, a greater proportion of meals are taken out from Asian restaurants than from other types of restaurants, and this is especially true for fast food establishments. According to the 1984 CREST Household Report, three-fourths of all meals served at quick service Asian restaurants are for take out compared with a significantly lower 56 percent at all quick service res-

taurants. More than two out of 10 meals at midscale Asian establishments are taken elsewhere to be eaten versus about one out of 10 at all midscale restaurants. The proportion of take out

meals from upscale Asian restaurants is nearly three times larger than the proportion taken from all upscale restaurants, 15.5 percent versus 5.8 percent.

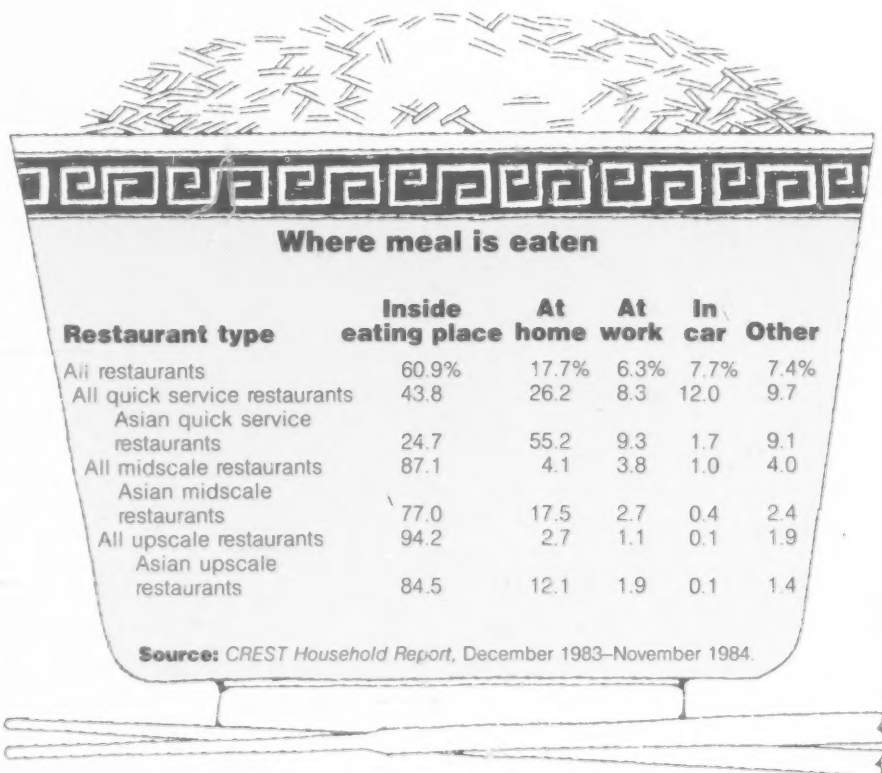
Consumers who order take out meals from restaurants are more likely to eat these meals at home, especially take out Asian meals. More than half (55.2 percent) of the meals ordered from quick service Asian restaurants are eaten at home. In comparison, a lower 26.2 percent of take out meals from all fast food establishments are eaten at home. Although the proportion of take out meals eaten at home is lower for midscale Asian restaurants—17.5 percent—it is still four times the proportion of take out meals at all midscale restaurants which are eaten at home—4.1 percent. The difference between the percentage of take out meals

eaten at home for upscale Asian restaurants compared with all upscale establishments is even more pronounced: 12.1 percent versus 2.7 percent.

Which Asian foods are most popular? . . .

According to the CREST Household Report, orders for Chinese/Asian foods were up 18 percent in 1984 versus 1982. Also, orders of rice, a popular side dish, were up 28 percent during the two-year period.

When a recent Gallup survey asked consumers to identify the items they would most likely order from a menu composed of various Chinese foods, the most popular main dishes were sweet and sour pork and chicken chow mein. One out of four consumers stated that they would most likely order these items. The next most popular en-



tree was shrimp chow mein, capturing 21 percent of the votes.

More than one-third of the consumers stated a preference for egg rolls, and 23 percent indicated that they would order wonton soup. Barbecued spareribs were also a favorite: One out of five consumers cast their vote for this item. Other favorites include steamed rice—18 percent indicated that they would order this item—shrimp in lobster sauce, 17 percent, and shrimp with Chinese vegetables, 16 percent.

Many non-Asian restaurants also are offering dishes to satisfy the demand for Chinese food. In *Restaurants and Institutions' "1984 Menu Census,"* which lists menu best-sellers, chow mein and chop suey appeared on 18 percent of restaurant menus and sweet and sour chicken appeared on 15 percent. The "1985 Menu Census" points out egg rolls as a favorite grazing treat and notes the growing popularity of stir-fry vegetable side dishes.

Many consumers also enjoy Japanese cuisine. Although tried less often than Chinese food, Japanese food is experiencing a surge in popularity in America. Sushi (raw fish tidbits combined with vinegared rice) and sashimi (raw fish tidbits served with rice on the side) are two popular Japanese dishes. According to NRA's *Consumer Preferences for New Restaurant Concepts* study, seven percent of all consumers, or 16 million adults, have dined at restaurants specializing in sushi and sashimi during a recent three-month period. And eight percent of those who have not eaten sushi or sashimi recently agreed that they were either very likely or likely to try a restaurant specializing in these items in the future. Because sushi

and sashimi are perceived as healthy foods, these items should continue to be best-sellers.

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Where are Asian restaurants located? . . .

According to the 1984 RECOUNT study, the largest proportion of restaurants specializing in Asian cuisine are located in the Pacific, Mid-Atlantic and New England regions. Asian restaurants comprise



Number and concentration of Asian restaurants

Region	Number of units	Proportion of region's restaurants
New England	697	4.2%
Mid-Atlantic	2,522	5.5
South Atlantic	1,497	2.9
East North Central	633	2.9
East South Central	1,581	3.6
West North Central	273	1.8
West South Central	1,172	2.9
Mountain	604	3.4
Pacific	3,508	7.1
Total U.S.	12,407	4.1%

Source: RECOUNT, Spring 1984.

7.1 percent of all the restaurants in the Pacific region, the highest regional concentration of Asian restaurants in the nation.

The Mid-Atlantic part of the country has the largest proportion of Asian restaurants in the East; 5.5 percent of that region's restaurants specialize in Asian cuisine. Within the New England region, Asian establishments comprise 4.2 percent of all restaurants. On the other hand, the smallest concentration of Asian restaurants is in the West North Central region, 1.8 percent.

Outlook strong . . .

Because consumers are willing and eager to try new restaurant concepts, the future looks bright for Asian cuisine. Other factors also point to the bright future for Asian foods:

- The demographic segments that favor Asian cuisine—singles, young adults, men and working women—

are projected to grow in numbers and importance during the remainder of the decade.

- Chinese and Japanese cuisines fit nicely into the growing interest in nutrition and healthful eating options. They are perceived by consumers as being healthful alternatives, particularly dishes featuring vegetables and fish.

- Consumers are showing increasing interest in the convenience of Asian take out foods. The recent expansion of many quick service Asian chains into all sections of the country reflects this trend.

- The United States' Asian population, of which Chinese and Japanese comprise 23 and 20 percent, respectively, is predicted to grow substantially in the future. The popularity of Asian food and restaurants will also grow as this group becomes a greater part of the eating out public.

—Sallie Adams

NRA revises 1985 forecast

The National Restaurant Association (NRA) has revised its 1985 industry forecast for food and drink sales and menu prices which was first published in the December 1984 issue of NRA NEWS. Even though inflation has continued to rise at a more moderate pace than had been expected, less robust economic growth, high consumer debt, relatively high unemployment, a slowdown in personal income growth and harsh winter weather have dampened NRA's forecast. In addition, more complete data from the 1982 Census of Retail Trade have made changes in sales for several eating place categories necessary.

During the first six months of this year, **eating place** sales have risen at a slower pace than originally anticipated. Traffic has been soft as some consumers have cut back on eating away from home. A harsh winter that affected much of the country and a slowdown in consumer income growth also dampened sales during the first half of 1985. NRA now expects eating place sales to reach \$111.4 billion instead of the \$112.3 billion initially forecast. This translates into a 6.7 percent gain in current dollars and a 2.8 percent real gain, compared to original projections of 8.4 percent and 3.5 percent.

On a more positive note, NRA anticipates that restaurant sales growth will pick up this summer. Increased vacation travel should improve last year's weak summer sales.

Restaurant and lunchroom sales will reach \$58.4 billion in 1985 versus the \$59.2 billion originally projected. Real sales will rise a modest 2.2 percent. **Limited menu (fast food) restaurant** sales are now expected to reach \$47.1 billion, a 7.8 percent increase in current dollars

and a 3.9 percent advance in real (inflation-adjusted) dollars. Sales for **social caterers** and **commercial cafeterias** will be somewhat higher than anticipated last December because of revisions based on recently released data from the 1982

Census of Retail Trade. Foodservice sales for **ice cream and frozen custard stands** have been revised downward because a number of these establishments have been reclassified by the Bureau of the Census as fast food operations. They now offer a more expanded menu, and less than half their sales come from ice cream. Ice cream and frozen custard stand sales are expected to reach \$1.4 billion in 1985, down from \$2.0 billion originally forecast.

Sales for **bars and taverns** are now projected to reach \$8.4 billion in 1985, a rise of only 1.5 percent over 1984. Sales information from the 1982 *Census of Retail Trade*, coupled with lower sales as a result of efforts to reduce drunk driving, are the basis for this.

Sales for the **Commercial Feeding Group** in 1985 are expected to total a revised \$151.5 billion, versus \$153.5 billion in the original fore-

cast. Real sales will be up a more modest 2.6 percent, compared with 3.4 percent. **Institutional Feeding Group** and **Military Feeding Group** sales remain unchanged.

Total foodservice industry sales are predicted to reach \$176.0 billion, down from \$177.9 billion. This translates into a 6.7 percent gain in current dollars and a 2.4 percent advance in real dollars.

NRA now expects menu prices to rise only 3.9 percent in 1985, not 4.9 percent as originally forecast. More modest advances in food price and overhead costs have helped dampen menu price inflation this year.

NRA is preparing more extensive revisions to sales, purchases and number of units for all industry segments for 1978 through 1985. These revised figures will be published in a new *Foodservice Sales Panorama* this winter.

—Bette Hoyt

**Revised foodservice industry sales
1984 and 1985**

	1984 (000)	1985 (000)	Percent change Current \$ Real \$	
Eating places				
Restaurants and lunchrooms	\$ 55,094,316	\$ 58,455,069	6.1%	2.2%
Limited menu restaurants	43,674,471	47,081,080	7.8	3.9
Commercial cafeterias	3,126,144	3,232,433	3.4	(0.5)
Social caterers	1,240,801	1,301,600	4.9	1.0
Ice cream, frozen custard stands	1,283,449	1,375,857	7.2	3.3
Total eating places	\$104,419,181	\$111,446,039	6.7%	2.8%
Drinking places	\$ 8,247,923	\$ 8,371,642	1.5%	(2.4%)
Total eating and drinking places	\$112,667,104	\$119,817,681	6.3%	2.4%
Commercial Feeding Group	\$141,923,081	\$151,508,093	6.8%	2.6%
Institutional Feeding Group	\$ 22,095,147	\$ 23,566,307	6.6%	1.3%
Military Feeding Group	\$ 835,697	\$ 904,785	8.3%	3.4%
Total industry	\$164,853,925	\$175,979,185	6.7%	2.4%

Note: The figures shown here are revisions to sales information published in the December 1984 issue of *NRA NEWS*. All other figures remain unchanged.

Sources: Malcolm M. Knapp, Inc.; National Restaurant Association.

Two-year survey

What consumers are eating

- Are customers eating more healthy foods?
- Are there differences in food preferences by region?
- Which menu items are most popular with consumers?

This article will provide some answers to these and other questions about consumer ordering behavior, based on a two-year CREST survey between 1982 and 1984.*

Healthy foods lead the list in popularity when customers eat out. A study conducted by the Gallup Organization for the NRA two years ago revealed that four out of 10 consumers changed their eating out habits because of nutritional concerns. This interest has not declined. Patrons continue to be concerned about caffeine, sugar, fats and cholesterol. They are cutting back on food items rich in these ingredients and are instead increasing their consumption of fruits, juices and salads.

The menu item that enjoyed the largest increase in popularity between 1982 and 1984 was decaffeinated coffee. In 1984, there were 57 percent more orders for this beverage than in 1982. In addition, the two-year growth rate for items such as diet cola (39 percent), juices (15 percent) and chicken (11 percent) also demonstrates that patrons are attempting to eat more foods that are perceived as being healthy.

Breakfast favorites . . .

The growing popularity of eating breakfast out is also considered by many to be part of the interest in nutrition. Between 1982 and

1984, traffic at the morning meal was up a whopping 21.4 percent. The items which enjoyed the greatest popularity were

- fruit: orders were up 48 percent
- breakfast sandwiches: orders were up 39 percent
- french toast: orders were up 17 percent
- juices: orders were up 15 percent
- omelets: orders were up 14 percent
- cold cereals: orders were up 14 percent
- other egg dishes: orders were up 10 percent.

The greater availability of salad bars probably helped boost orders for items such as green salads, soups, fruits and tuna/chicken/ham salads. Main dish salads ranked sixth in popularity, with orders up a substantial 31 percent. Fruits, which are found on most salad bars, ranked number two in popularity, and fruit servings increased 48 percent. Soups and salads also ranked in the top 20. Soup orders were up 10 percent, and salad orders (tuna, chicken and ham) were up 11 percent.

Although consumers are ordering more of these foods, which are perceived as being healthy, they have

Most popular food and beverage items

Rank	Item	Two-year growth rate*
1	Decaffeinated coffee	57%
2	Fruit	48
3	Breakfast sandwiches	39
4	Diet colas	39
5	Mexican food items	36
6	Main dish salads	31
7	Rice	29
8	Pizza	21
9	French toast	17
10	Cheeseburgers	17
11	Chinese/Oriental foods	15
12	Juices	15
13	Large french fries	14
14	Omelets	14
15	Cold cereals	14
16	Large colas	13
17	Chicken (non-sandwich)	11
18	Tuna/chicken/ham salads	11
19	Soups	10
20	Other egg dishes	10

*Growth rates for June–Nov. 1984 versus June–Nov. 1982
Source: CREST Household Report

not forsaken traditional favorites, such as cheeseburgers, french fries and soft drinks. Between 1982 and 1984 orders for cheeseburgers were up 17 percent, orders for large french fries rose 14 percent and orders for large colas increased 13 percent. These food items also made the top 20 list. Cheeseburgers ranked 10th, large fries ranked 13th, and large colas ranked 16th.

Ethnic foods are among top 20 favorites . . .

Ethnic foods continue to be sought out by restaurant patrons. Mexican food items were number five on the top 20 menu item list, and Oriental foods ranked 11th. Pizza, often referred to as "the traditional ethnic food," took eighth place. The number of orders for all kinds of Mexican foods rose 36 percent between

1982 and 1984. Orders for Oriental foods were up a substantial 15 percent, and orders for pizza increased 21 percent. In addition, patron requests for rice, which is often a side dish with Oriental meals, rose 29 percent.

Food preferences vary by region . . .

It should come as no surprise that food preferences vary by region of the country. This is primarily due to the regional availability of certain food items and the ethnic background of the residents. Also, there appears to be strong support for items made by companies headquartered in specific regions. For example, residents of the South Atlantic region have a strong liking for all sorts of colas, while Northeasterners prefer donuts and sun-

daes. A major cola manufacturer is located in the Southeast, and major chains specializing in donuts and ice cream are headquartered in the Northeast.

Other regional highlights:

- New Englanders show a marked preference for non-fried fish, probably because abundant fresh supplies are available from Boston to Maine.

- Residents of New York, New Jersey and Pennsylvania like veal and pasta dishes.

- Residents of the Great Lakes states (East North Central region) like beef

and foods made with beef, such as chili.

- In the farm states there is a strong preference for mashed potatoes and pan pizza. It is interesting to note that a major pizza chain is headquartered in the West North Central region.

- Southerners like fried foods—especially fish and chicken. They also favor shellfish, a Gulf Coast product.

- Residents of the East South Central region are also fond of fried foods—fried fish, fried vegetables and fried chicken.

- Residents of Texas, Oklahoma, Louisiana and Arkansas like Mexican foods, probably because of the influence of the Hispanic population living in the area.

- Mexican foods are popular in the Mountain region as well, and regional favorites are tacos, burritos and enchiladas.

- The Pacific region food preferences show the influence of Hispanic and Asian groups: Burritos, enchiladas, taco salad, tacos and Chinese foods ranked tops on the list.

—Bette Hoyt

**All data used in this analysis are from the CREST Household Report, Between June–November 1982 and June–November 1984, approximately 250 menu items were analyzed. Only the top 20 are discussed in this article.*

Food item preferences for each of the nine census regions were determined by calculating an importance index for all menu items analyzed. This calculation involved dividing the order incidence for the region by the order incidence for the U.S. This then indicates the degree to which the food item order incidence is above or below the U.S. norm. In most cases, the items listed in this article for each region had an importance index of 120 or higher.

Regional food and beverage preferences

Regions	Food items	Beverages
New England	1. Heroes/subs 2. Fish (not fried) 3. Salad sandwiches 4. Donuts/sweet rolls 5. Sundaes	1. Diet non-colas 2. Wine 3. Regular coffee 4. Herb teas 5. Juices
Mid Atlantic	1. Heroes/subs 2. Salad sandwiches 3. Veal 4. Other pasta 5. Frozen desserts	1. Hot tea 2. Non-carbonated soda 3. Decaffeinated coffee
East North Central	1. Chili 2. French toast 3. Cheese 4. Roast beef 5. Barbecued ribs	1. Decaffeinated coffee 2. Regular coffee 3. Diet non-colas 4. Shakes/malts 5. Hot chocolate
West North Central	1. Mashed potatoes 2. Pan pizza 3. Soft-serve ice cream 4. Donuts/sweet rolls 5. Pancakes/waffles	1. Hot chocolate 2. Medium colas 3. Milk 4. Regular coffee 5. Shakes/malts
South Atlantic	1. Breakfast sandwiches 2. Fried shellfish 3. Non-fried shellfish 4. Potato skins 5. Chicken	1. Iced tea 2. Large colas 3. Medium colas 4. Diet colas 5. Beer
East South Central	1. Vegetable platters 2. Breakfast sandwiches 3. Fried fish 4. Other fried vegetables 5. Fried chicken	1. Iced tea 2. Regular colas 3. Diet colas
West South Central	1. Enchiladas 2. Nachos 3. Other fried vegetables 4. Tacos 5. Burritos	1. Iced tea 2. Regular colas 3. Beer 4. Non-colas
Mountain	1. Tacos 2. Burritos 3. Enchiladas 4. Chicken nuggets 5. Ham and cheese	1. Non-carbonated sodas 2. Hot chocolate 3. Regular non-colas 4. Shakes/malts 5. Milk
Pacific	1. Burritos 2. Enchiladas 3. Taco salads 4. Tacos 5. Chinese/Oriental foods	1. Wine 2. Hot chocolate 3. Hot tea 4. Milk 5. Beer

Source: CREST Marketing Services, NPD Research.

by Cecelia Niepold

After a mixed summer, restaurateurs are looking forward to fall, planning new promotions and menu items.

1

NEW ENGLAND

Location: New Canaan, CT
NRA member: Susan Cheswick
Operation: Huckleberry's
Profile: Fullservice restaurant
In business: 7 years
Seats: 190
Meals served: Lunch, dinner

"July and August are generally slow months for us, but we've been a little ahead of last year," says **Stu Goodfellow**, general manager of Huckleberry's. Many residents of New Canaan—a bedroom community 40 miles from New York City—vacation elsewhere during the summer. Goodfellow is optimistic about the fall: September through December is the restaurant's busiest period.

Huckleberry's prides itself on its broad appeal. "Customers in three-piece suits sit right next to people wearing blue jeans, and no one feels out of place," Goodfellow maintains. A diverse menu generates the wide customer mix, ranging from pasta primavera to gourmet burgers. The recently renovated decor, which includes a myriad of colors, textures and fabrics, also contributes to the restaurant's diverse personality.

During the summer the establishment focused on wine promotions, offering changing selections of wine by the glass. To celebrate the cooler fall months, Goodfellow is planning a similar campaign, but will highlight various ports and after dinner drinks.

How's Business?



2

MIDDLE ATLANTIC

Location: Montclair, NJ
NRA member: Muriel Windolf
Operation: Class Reunion
Profile: Fullservice restaurant
In business: 2 years
Seats: 150
Meals served: Lunch, dinner

"The summer business was a little stronger than we expected it would be," says **Chris Wetzel**, manager of the Class Reunion. Wetzel attributes the steady traffic to a gain in repeat business and the general growth of the area. Montclair, a historic town of about 40,000 residents, is being restored and rejuvenated.

The restaurant offers native American entrees that change seasonally. For instance, game dishes will be highlighted in the fall, while fresh seafood, fruits and berries were favorite summer ingredients. A number of lower-priced entrees are also planned for the fall to broaden the restaurant's appeal. Wetzel be-

lieves the wider price spectrum will encourage customers to experiment with unfamiliar items.

3

SOUTH ATLANTIC

Location: La Grange, GA
NRA member: Johanna Stark
Operation: In Clover
Profile: Fullservice restaurant
In business: 10 years
Seats: 200
Meals served: Lunch, dinner

Business has been "a little bit better" than last year, according to **Johanna Stark**, co-owner of In Clover. The local economy, based primarily on the textile industry, is somewhat flat.

Located in a restored turn-of-the-century Victorian house, In Clover offers a nostalgic atmosphere with period antiques and numerous fireplaces. Slightly more than 100 guests can be seated in the first floor rooms, while overflow customers and private parties are served upstairs.

The menu, which changes frequently, features American and continental specialties. Stark believes menu variety has been an important component of her restaurant's success. "La Grange is a fairly small town. By offering different entrees, we keep customers from getting bored," she says. The menu does have special trademarks, however, such as Stark's signature lace cookies—fragile, but crispy, brown sugar and oatmeal treats. These are always on the menu.

4

EAST NORTH CENTRAL

Location: Fish Creek, WI
NRA member: Richard Skare
Operation: The Cookery
Profile: Family restaurant
In business: 9 years
Seats: 85
Meals served: Breakfast, lunch, dinner

"This season seems to be about the same as last year," says **Richard Skare**, owner of The Cookery. Located north of Green Bay on a peninsula that juts into Lake Michigan, The Cookery's prime season runs between June and October. According to Skare, tourist counts for the summer season have been mixed—up in some areas, but down in others.

A small town of 100 residents in the winter, Fish Creek's population increases tenfold during the summer. Consequently, The Cookery is only open on weekends during the winter. To round out his business, Skare also operates a bakery and a deli.

Skare caters to families and is proud of his restaurant's reputation for serving only homemade items. His dessert tray, featuring eight to 10 fresh delicacies, is a favorite with customers.

5

EAST SOUTH
CENTRAL

Location: Cullman, AL
NRA member: Ed Burrow
Operation: The Globe
Profile: Family restaurant
In business: 26 years
Seats: 110
Meals served: Breakfast, lunch, dinner

"Business during the day is up, but dinner is down," says **Ed Burrow**, owner of The Globe. He attributes the slow evening business to more people cooking out and enjoying the long summer days. Burrow is optimistic about the fall because a lot of travelers pass through the area.

Cullman, a fairly small town of 18,000 residents, is enjoying a healthy economy. The major industry, poultry farming, is experiencing strong growth.

A friendly family restaurant, The Globe offers a variety of menu items, including hamburger steaks, fresh vegetables and homemade biscuits.

6

WEST NORTH
CENTRAL

Location: West Des Moines, IA
NRA member: Ron Smith
Operation: Mustards Restaurant
Profile: 3 barbecue restaurants
In business: 15 years
Seats: 30, 50 and 110
Meals served: Lunch, dinner

According to **Ron Smith**, owner of Mustards Restaurants, the depressed farm industry is affecting business throughout Iowa. Located in a suburb of Des Moines, his business is also down somewhat from last year. Although the area has been through difficult times

before, Smith believes there could be a shakeout in the restaurant sector if the farmers' plight continues.

Barbecued items are the specialty at Mustards Restaurants. In a pit Smith developed himself, food is barbecued over a combination of woods, such as hickory and other fruit woods. Smith is so proud of his special process that he entered the National Rib Cook Off in Cleveland, OH—the only entrant from Iowa.

A distinct barbecue flavor is not the only factor that distinguishes Mustards from other barbecue establishments. The decor—art deco with scattered antiques—also gives the restaurants a unique personality.

7

WEST SOUTH
CENTRAL

Location: Waco, TX
NRA member: Jack Schaevitz
Operation: The Health Camp Company
Profile: Fast food restaurant
In business: 36 years
Seats: 36
Meals served: Lunch, dinner

"Even though business is about 1½ percent below last year, we're still doing better than the average," maintains Jack Schaevitz, owner of The Health Camp Company. Schaevitz attributes the slight slowdown to the growing competition in the area.

Although the restaurant's name suggests a health food eatery, Schaevitz' good old American fast food restaurant serves high calorie favorites, such as double decker cheeseburgers and french fries. The name refers to the dairy company his family used to operate, not to the menu offerings.

"If you enjoy our thick milkshakes everyday, you will weigh a ton," Schaevitz laughs.

Schaevitz believes his staff of older people have contributed a great deal to his restaurant's success. "They're used to feeding families," he explains.

8

MOUNTAIN

Location: Salt Lake City, UT
NRA member: John Williams
Operation: Gastronomy Incorporated
Profile: 4 fullservice restaurants
In business: 7 years
Seats: 100 to 150
Meals served: Breakfast, lunch, dinner

"Business is going well," says **Norma Gravette**, assistant at Gastronomy Incorporated. Salt Lake City is experiencing a lot of growth. There is a great deal of building going on, she explains.

The company operates four very different restaurants in Salt Lake City—each with its own unique flavor. The restaurants had to be different since three are located in the same large, restored historical building. For instance, the New Yorker Club serves French and American delicacies in very elegant surroundings. Catering to an upscale clientele, the restaurant even offers shuttle service to the opera. At the other end of the spectrum, the Oyster Bar is a casual gathering place that attracts a bustling after-work crowd. The Market Street Grill, the third restaurant in the building, is a comfortable family-oriented establishment, offering something for everyone.

The Broiler, located in a

9

PACIFIC

Location: Sacramento, CA
NRA member: Andrea Tyler
Operation: Rainbow's End
Profile: Fullservice cafe
In business: 8 years
Seats: 54

Meals served: Breakfast, lunch, dinner

"Even though business usually slows down in the summer, things have been great," says **Andrea Tyler**, owner of Rainbow's End. Tyler attributes the strong traffic to the eatery's well-established neighborhood business: 75 percent of her patrons are repeat customers.

Serving a wide variety of salads and sandwiches, the restaurant is particularly known for its homemade hearty soups that change daily. The atmosphere is warm and friendly, featuring pastel colors and batik prints. "We didn't use reds or oranges because I never wanted Rainbow's End to be perceived as a fast food restaurant," she explains.

Like many fledgling restaurateurs, Tyler had trouble coming up with the perfect name for her establishment. Luckily Mother Nature intervened right before Tyler opened, producing a vibrant rainbow that stretched across the sky above the restaurant. The "good luck" image seemed perfect to Tyler, and the name has stuck.

FOOD FOR THOUGHT

The time is always right for seafood

Pacific Fresh, three restaurant units in Menlo, CA, increased Sunday brunch reservations by 300 percent when they introduced a special menu centered entirely around seafood items. Twelve seafood dishes are offered, from fresh Shark



Steaks Topped with Poached Eggs and Bernaise Sauce to Salmon Benedict.

Pacific Fresh co-owner Richard Hamner believes that the novelty of a seafood-only brunch, combined with consumers' growing interest in seafood, accounts for the boom in business. "We expect 1,500 for brunch at our seafood houses each Sunday," he reports. —*American Express*

Chocoholic nirvana

Only the iron-willed could possibly resist it—an all you can eat chocolate dessert bar, where one price buys all the chocolate mousses, tortes, bonbons and cakes you can consume in one sitting.

Too heavenly to be true? Think again. At the Wells-Warwick House in Lancaster, PA, customers pay \$7.25 per person for unlimited access to the restaurant's chocolate dessert bar. The desserts are fetchingly arranged around a lighted, rotating carousel.

Judy Wells, owner of the Wells-Warwick House, says sales have increased 25 per-

Nutrition hotline

For 61 years, Hain Pure Food Company in Los Angeles, CA, has been dis-



pensing natural food products to consumers. Now they've begun dispensing nutrition advice as well.

1-800-HAIN-123 is the number to call to reach Hain's new toll-free, national nutrition hotline. A registered dietician has been hired by the company to respond to questions concerning nutrition and good health. The hotline operates Monday through Friday, between the hours of 9:00 a.m. and 5:00 p.m., EST, with a 24-hour answering service for late night or weekend nutrition crises.

—*Washington Times*

Students run coffee shop

Recent customers at the Coffee Connection, a coffee shop located at the Howard University Inn, Washington, DC, noted that the servers were courteous, the food delicious and the managers efficient and eager to please. Nice qualities, they thought, but not unusual in a city filled with fine restaurants.

Until they took a closer look. All employees at the Coffee Connection, from dishwasher to manager, wore badges designating them as student interns from Howard University's hotel management school. A total of eight students run the restaurant four nights a week on a two-week job rotation schedule, so each student has an opportunity to act as manager. Says Maxine Donaldson, the Coffee Connection's first student manager, "I'm beginning to see what it's like to be in control, to exercise technical and conceptual skills and to have interpersonal relationships with my employees."

—*Howard University*

NRA member hosts First Lady in Spain

When Queen Sofia of Spain wanted to impress Nancy Reagan during the Reagans' recent visit to Madrid, she treated the First Lady to lunch at Casa Botin, Madrid's oldest restaurant. Antonio Gonzales, owner of Casa Botin, is the

only NRA member in Spain.

Casa Botin first opened its doors in 1725. Over the centuries, it has become one of the most renowned restaurants in Madrid, attracting celebrity guests with its traditional atmosphere and delicious food. In fact, Mrs. Reagan and the queen enjoyed their lunch at the same table that Ernest Hemingway used to favor when he dined there.

—*The Washington Post*



cent since the promotion began last November. "When someone sits down and has eight or 10 desserts, we lose money," she reports. "But others compensate for the loss by eating like normal people."

—*The Wall Street Journal*

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